



**Port of Seattle Commission**

**SPECIAL MEETING**

**October 25, 2022 – 10:00 a.m.**

To be held virtually via MS Teams and in person at The Museum of Flight, Skyline Room, located at: 9404 Marginal Way S, Seattle, Washington. To listen live, call in at +1 (425) 660-9954, (833) 209-2690, and Conference ID 392 865 765#

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**Port of Seattle Commissioners:**

*Ryan Calkins; Sam Cho; Fred Felleman; Toshiko Hasegawa, Hamdi Mohamed*

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- I. CALL TO ORDER – 10:00 A.M.
- II. STUDY SESSION RE: 2023 STATE LEGISLATIVE AGENDA  
**([memo](#) and [presentation](#) enclosed)**
- III. ADJOURNMENT

*Founded in 1911 by a vote of the people as a special purpose government, the Port of Seattle's mission is to promote economic opportunities and quality of life in the region by advancing trade, travel, commerce, and job creation in an equitable, accountable, and environmentally responsible manner.*



**COMMISSION  
AGENDA MEMORANDUM**

<u>AGENDA MEMORANDUM</u>	Item No.	Study Session
STUDY SESSION	Date of Meeting	October 25, 2022

**DATE:** October 19, 2022

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

**FROM:** Eric ffitch, Senior Government Relations Manager

**SUBJECT: Draft 2023 State Legislative Agenda**

## **EXECUTIVE SUMMARY**

Since the end of the 2022 state legislative session in Olympia, Washington, staff from the Government Affairs team has been working with subject-matter experts across the Port, members of the Executive Leadership Team, staff from the Commission office, and the Commissioners themselves to develop a draft legislative agenda for the 2023 legislative session. This is the initial staff briefing for commissioners, with any proposed changes discussed in public session to be adopted on November 8, 2022.

## **DRAFT State Legislative Agenda for 2023**

### ***Priority Agenda Items:***

**Invest in essential workforces:** Essential activities that kept the economy running early in the pandemic included maritime and freight operations, air cargo and more. The Port seeks continuing state partnership on workforce development in port-related industries, including support for pre-apprenticeship and apprenticeship programs and policies intended to support retention and promote a respectful worksite free of harassment and intimidation.

**Progressive climate action:** Enactment of progressive climate policies spurs investment in new technologies and generates demand for a newly skilled workforce, while reducing emissions and improving environmental justice action. With the Clean Fuels Program and Climate Commitment Act in place, the state should pursue partnership with ports on decarbonization of heavy transportation from maritime to aviation sectors, including a focus shorepower, on-dock cargo equipment, and working toward zero emission trucking.

The Port of Seattle fully supports state partnership in:

- Proposed maritime decarbonization investments put forward by The Northwest Seaport Alliance
  -

Meeting Date: October 25, 2022

- Potential **Regional Maritime Fuels collaborative, developed alongside Maritime Blue**, to speed adoption and promote regional leadership in the fuels space
- Development of an **incentive package to promote deployment of Sustainable Aviation Fuels** and other low- and zero-carbon aviation technologies

Further, the Port acknowledges that siting of clean energy facilities sufficient to meet state demand for renewable energy will require legislative changes, and **we support state work to promote development of in-state renewable energy** sources.

**Equity and Community focus:** An annual priority for the Port of Seattle, this year legislative efforts that can support our community partners include:

- **Reduced local match for community improvements:** The Port supports **reducing the required local match** that non-profit entities must provide in order to receive small-dollar grants for public improvement projects. This statutory change will help the Port distribute grant funding at a time when many local government partners will be forced to reduce grantmaking.
- **Public contracting and grantmaking:** The Port's Office of Diversity, Equity, and Inclusion is eager to work with our community to **increase the share of grants and contracts that go to underserved populations**. Legislative changes may be required to meet our goals, and we will partner with Olympia lawmakers to pursue such changes.

**Vessel noise and impacts:** With the state's prior investment in Quiet Sound leading to successful program implementation and early successes, the **Port supports additional state funding for Quiet Sound** to ensure continued program success and further growth and development.

**Priority Issue Areas: Quality Jobs and Small Business**

**Quality Jobs:** Support proposals that are consistent with the Port's focus on bringing quality, sustainable jobs to the region, including proposals that:

- Expand state-level support for worker training programs in port-related industries of aviation, maritime, construction trades, and green jobs that seek to foster maritime innovation and provide incentives to incorporate new technology into port-related sectors.
- Support career-connected and work-based learning programs that seek to expose middle- and high-school age students to professions in port-related industries.
- Expand and strengthen state support for pre-apprenticeship and apprenticeship programs, with a focus on retention especially among BIPOC apprentices.

Meeting Date: October 25, 2022

- Ensure responsible enforcement of labor standards, including a culture of respect and inclusion on jobsites.
- Support continued state partnership on tourism promotion as an economic sector critical to the overall recovery of the Washington state economy.
- Pursue partnerships in trucking that expand the workforce and the supply of drivers serving port operations, to speed the movement of goods and services.
- Support rural economic development: Partner with the state and other ports and economic development actors to promote rural economic development initiatives, including rural broadband deployment, tourism promotion, support for small manufacturers in rural Washington, investments in freight corridors in rural areas, and other actions to support economic growth across Washington state.

**Small Business:** Support proposals that reduce structural barriers and provide equity in the workplace for disadvantaged groups, and promote inclusion of small businesses, including disadvantaged, minority, and women owned business enterprises (SMWBES). This includes:

- Continued support for the repeal of Initiative 200, the enactment of Initiative 1000, and any other policy proposals that seek to achieve similar equity objectives.
- Support for proposals that provide flexibility in contracting to public owners, including alternative public works, while ensuring that contracting practices support SMWBES.
- Support proposals that enhance the opportunities for SMWBES to more effectively compete for small works projects.
- Support business assistance programs at the state-level that are focused on supporting BIPOC and rural-based small businesses that face challenges accessing resources and relief programs

***Priority Issue Areas: Transportation and Competitiveness***

**General transportation priorities:** Continue support for freight mobility, multimodal investments, and decarbonization investments as the state implements the Move Ahead Washington package. Other transportation priorities include:

- Continued state support for transportation networks that serve essential public facilities, with a specific emphasis on: funding for needed upgrades State Route 518 and the on-time delivery of the Puget Sound Gateway Program (SR509/SR167).
- Support proposals that speed the movement of freight and passengers from origin to destination through seaport and airport facilities and improve the trade competitiveness of Washington state and our gateway.

Meeting Date: October 25, 2022

- Continue to deepen partnership with Washington State Legislature, Executive Agencies, and other public and private stakeholders on promoting Washington state as an international trading partner, supporting the state's exporters while also ensuring that transportation facilities that support trade are modernized, world-class, and can operate efficiently.
- Support proposals that clarify and affirm the authority of the Port Commission to control access to port facilities by all transportation modes -- including private vehicle access, commercial ground transportation providers, and public transportation providers -- and promote fairness and equity among transportation service providers, in support of responsible operation in all areas of regulation, including insurance, monitoring, safety, and environmental standards
- Support state engagement in regional conversations related to a potential increase in passenger vessel routes operating in Puget Sound, and other innovative transportation partnerships that reduce congestion on roadways and reduce emissions associated with transportation sector. Increases in passenger vessel routes should be accompanied by consideration of potential mitigation measures associated with increased vessel traffic.
- Support state actions that promote resilience in the transportation network, and support collaboration with other government agencies, including on issues of climate resilience.
- Support coordinated approach to regional transportation planning, including aviation planning, to reflect the unprecedented growth in the region and the related stresses on our existing infrastructure.

Land use priorities: Continue to advocate on land use issues facing Washington ports, with a specific focus on zoning issues that may affect port competitiveness. This may include:

- Proposals that reflect the “Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands” document that was adopted by the Northwest Seaport Alliance on November 1, 2016;
- Proposals that reduce gentrification pressure on critical industrial lands by focusing dense residential development in existing residential areas
- Proposals that reflect the Port's commitment to environmental sustainability, including promoting Puget Sound ecosystem health and resource stewardship, and acknowledge the fact that manufacturing and industrial centers designated under the Growth Management Act are resource lands of statewide economic significance that are irreplaceable; and

Meeting Date: October 25, 2022

- Proposals that recognize the role industrial resource lands play in global port competitiveness and in supporting job retention in diverse economic sectors that provide ladders of opportunity to underserved groups; and
- Proposals that seek to strengthen the Container Ports Element of the Growth Management Act
- Recommendations related to the Department of Commerce's Interbay Public Development Advisory Committee; and
- Any legislative changes that may impact the efficient functioning of statewide essential public facilities.

***Priority Issue Areas: Energy and Environment***

Support and advocate for continued state investment in environmental cleanup programs and state-level policies that promote the adoption and implementation of clean energy sources to reduce the state's reliance on fossil fuels and seek to eliminate greenhouse gas emissions. That includes:

- Policies that promote the use of low- and zero-carbon fuels for transportation, low or zero emission transit options, and otherwise support the continued reduction in the cost of low- and zero-carbon energy sources to consumers in the state.
- Programs directed at Puget Sound health, to include: water quality, habitat restoration, cleanups, stormwater, underwater noise reduction, and other issues related to orca recovery in the Puget Sound.
- Streamlining Department of Ecology's wetland mitigation banking program so that cost-effective and large-scale compensatory mitigation projects can be built in advance of permitted impacts.
- Programs funded through the Model Toxics Control Act (MTCA) that assist ports in their efforts to promote environmental stewardship, to include cleanup grants and public participation grants to community organizations, including a streamlined pathway that promotes voluntary, expeditious cleanup of habitat restoration and/or shoreline public access projects in underserved communities.
- Continued robust funding for the state's Recreation and Conservation Office, and any additional state-level program or office that supports partnerships and funding on environmental cleanup, habitat restoration, and public access to the shoreline and marine resources.
- Policies that promote use of clean energy technology, build energy efficiency, and support a statewide reduction in greenhouse gas emissions as well as statewide goals for clean power, and that can be implemented in ways that: leverage our state's

Meeting Date: October 25, 2022

competitiveness; maintain the efficient operation of essential public facilities such as airports and seaports; and support equity between our business partners.

- Continued state support for partnership in the development and deployment of sustainable aviation and maritime technologies, including state-level actions intended to drive development of low- and zero-carbon aviation and maritime technologies within the state and for use at in-state transportation facilities.
- Support state actions that promote climate change resilience, and support collaboration with other government agencies in this effort, including a focus on resilience within the transportation network that serves ports, such as heavy haul corridors, freight chokepoints, intermodal yards and more.
- Policies that reduce carbon and air pollution emissions for passengers, employees, and cargo traveling to and from Port facilities, including promoting and improving the efficiency of public transportation improvements, public transit, and increasing the availability of low carbon fuels.
- Pursue continued state partnership with efforts to reduce carbon emissions from waterfront operations while maintaining the international competitive edge that supports job growth in Washington state. This includes partnership on electric transmission infrastructure development, on innovation in the clean maritime sector, and on the state's ongoing Maritime Blue 2050 initiative.

***Priority Issue Areas: Tax, Governance, Technology, and more***

- **Tax:** Support tax policies at the state level that support the economic health of port-related businesses and activities, including:
  - Policies that promote the efficient movement of freight and supports those communities that house the warehousing and distribution infrastructure necessary to enable the Port of Seattle, the Northwest Seaport Alliance, and its partners to serve Washington State businesses, including those in agriculture, manufacturing, and trade sectors.
  - Policies that reduce manufacturing costs in port-related businesses, including businesses that support the efficient functioning of Seattle-Tacoma International Airport and that incentivize construction of fishing vessels in Washington State shipyards.
- **Governance:** Oppose legislation that would create an imbalance of representatives between the two homeports in their governing of the Northwest Seaport Alliance. And further, advocate that any legislative proposal that would alter the previously voter established governance structure of either homeport include ratification by citizen vote within the respective homeport district(s).

Meeting Date: October 25, 2022

- **Cybersecurity:** Monitor proposals that seek to balance the importance of transparency and public disclosure with the vulnerability of public governments that manage critical infrastructure.
- **Technology:** Monitor proposals related to the use of biometric technology, such as facial recognition, particularly those that address the protection of individual privacy, civil liberties, equity and compliance with federal and state regulations.
- **Broadband:** Support continued state and local government efforts to bridge the digital divide and bring high-speed internet connectivity to communities around the state.
- **Human trafficking:** Engage continued state partnership with Port efforts to combat human trafficking at port facilities, including the airport, seaport, cruise terminals, and marina properties, including potential advocacy in support of state anti-human trafficking efforts that align with efforts underway at the Port.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

December 14, 2021 – The Commission voted to adopt 2022 State Legislative Agenda

November 16, 2021 – Port of Seattle Commission was briefed on the 2022 DRAFT State Legislative Agenda

# Draft 2023 State Legislative Agenda

Briefing to the Port of Seattle Commission

October 25, 2022

Eric ffitch, Senior Government Relations Manager

Trent House, Contract Lobbyist



# Overview

- Olympia preview – what to expect from 2023 Session
  - Long session, biennial budget year
  - Budget picture
  - First in-person session since 2020
    - Allowance will still be made for virtual testimony
    - Members and staff encouraged to attend all proceedings in person
- Agenda development process
  - Evaluate progress made last session
  - Incorporate ongoing work and core priorities
- Next steps
  - Incorporate additional Commission feedback between now and 11/8
  - Seek Commission adoption of final agenda in 11/8

# Priority Agenda Items

***Invest in essential workforces:*** The Port seeks continuing state partnership on workforce development in port-related industries, including support for pre-apprenticeship and apprenticeship programs and policies intended to support retention and promote a respectful worksite free of harassment and intimidation.

***Progressive climate action:*** Enactment of progressive climate policies spurs investment in new technologies and generates demand for a newly skilled workforce, while reducing emissions and improving environmental justice action. With the Clean Fuels Program and Climate Commitment Act in place, the state should pursue partnership with ports on decarbonization of heavy transportation from maritime to aviation sectors.

The Port of Seattle fully supports state partnership in:

- Proposed maritime decarbonization investments put forward by The Northwest Seaport Alliance
- Potential Regional Maritime Fuels collaborative, developed alongside Maritime Blue, to speed adoption and promote regional leadership in the fuels space
- Development of an incentive package to promote deployment of Sustainable Aviation Fuels and other low- and zero-carbon aviation technologies

Further, the Port acknowledges that siting of clean energy facilities sufficient to meet state demand for renewable energy will require legislative changes, and we support state work to promote development of in-state renewable energy sources.

# Priority Agenda Items - continued

***Equity and Community focus:*** An annual priority for the Port of Seattle, this year legislative efforts that can support our community partners include:

- ***Reduced local match for community improvements:*** The Port supports **reducing the required local match** that non-profit entities must provide in order to receive small-dollar grants for public improvement projects. This statutory change will help the Port distribute grant funding at a time when many local government partners will be forced to reduce grantmaking.
- ***Public contracting and grantmaking:*** The Port's Office of Diversity, Equity, and Inclusion is eager to work with our community to **increase the share of grants and contracts that go to underserved populations**. Legislative changes may be required to meet our goals, and we will partner with Olympia lawmakers to pursue such changes.

***Vessel noise and impacts:*** With the state's prior investment in Quiet Sound leading to successful program implementation and early successes, **the Port supports additional state funding for Quiet Sound** to ensure continued program success and further growth and development.

# Priority Issue Areas – Quality Jobs and Small Business

- ***Quality Jobs:***
  - Worker training programs in port-related industries
  - Career-connected and work-based learning programs for middle- and high-school age students
  - State support for pre-apprenticeship and apprenticeship programs
  - Responsible enforcement of labor standards, including a culture of respect and inclusion
  - Continued state partnership on tourism promotion
  - Support for rural economic development
- ***Small Business:***
  - Continued support for the repeal of Initiative 200
  - Flexibility in contracting to public owners, including alternative public works
  - Enhance the opportunities for SMWBEs to compete for small works projects
  - ***MODIFIED:*** Support business assistance programs for small business capacity building and help SMWBEs compete

# Priority Issue Areas – Transportation and Competitiveness (page 1)

## *General transportation priorities:*

- **MODIFIED:** Upgrades to State Route 518 and finish construction of the Puget Sound Gateway Program (SR509/SR167), and others.
- Proposals that speed the movement of freight and passengers from origin to destination
- Deepen partnership with Washington State on promoting Washington state as an international trading partner
- Support the authority of the Port to control access to port facilities by all transportation modes
- Support regional conversations related to a potential increase in passenger vessel routes, with appropriate mitigation
- Promote resilience in the transportation network, and support collaboration with other government agencies, including on issues of climate resilience.
- Coordinated approach to regional transportation planning, including aviation planning, to reflect the unprecedented growth in the region and the related stresses on our existing infrastructure.

## Priority Issue Areas – Transportation and Competitiveness (page 3)

***Land use priorities:*** Continue to advocate on land use issues facing Washington ports, with a specific focus on zoning issues that may affect port competitiveness. This may include:

- Proposals that reflect the NWSA's "Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands"
- ***NEW:*** Reduce gentrification pressure on critical industrial lands by focusing dense residential development in existing residential areas
- Proposals that reflect the Port's commitment to environmental sustainability, acknowledge that manufacturing and industrial centers are resource lands of statewide economic significance
- Recognize the role industrial resource lands play in global port competitiveness
- Proposals that seek to strengthen the Container Ports Element of the Growth Management Act
- Recommendations related to the Department of Commerce's Interbay Public Development Advisory Committee; and
- Any legislative changes that may impact the efficient functioning of statewide essential public facilities.

# Priority Issue Areas – Energy and Environment (page 1)

## *Priority Issue Areas: Energy and Environment*

- Promote the use of low- and zero-carbon fuels for transportation; low or zero emission transit options; reduction in the cost of low-carbon energy sources to consumers in the state.
- Programs directed at Puget Sound health
- Programs funded through the Model Toxics Control Act (MTCA)
- Continued collaboration with state and local agencies on disbursement of funds from the national Volkswagen settlement
- Policies that promote use of clean energy technology, build energy efficiency, and support a statewide reduction in greenhouse gas emissions

# Priority Issue Areas – Energy and Environment (page 2)

- **MODIFIED:** Continued state support for partnership sustainable aviation and maritime technologies
- Promote climate change resilience and collaboration with other government agencies in this effort
- Policies that reduce carbon and air pollution emissions for passengers, employees, and cargo traveling to and from Port facilities
- Reduce carbon emissions from waterfront operations while maintaining international competitive edge

# Priority Issue Areas – Tax, Governance, Technology, and more

**Tax:** Support tax policies at the state level including:

- Policies that support those communities that house the warehousing and distribution infrastructures.
- Policies that reduce manufacturing costs in port-related businesses

**Governance:** Oppose legislation that would create an imbalance of representatives between the two homeports in their governing of the Northwest Seaport Alliance.

**Cybersecurity:** Monitor proposals that seek to balance the importance of transparency and public disclosure with the vulnerability of public governments that manage critical infrastructure.

**Technology:** Monitor proposals related to the use of biometric technology

**Broadband:** Support continued state and local government efforts to bridge the digital divide

**Human trafficking:** Engage continued state partnership with Port efforts to combat human trafficking at port facilities

# Next Steps

- Today – Commission briefing study session
- Now through November 8, 2022 – Incorporate feedback received
- November 8, 2022 – Seek Commission adoption in public session
- November and December 2022– Distribute agenda to key legislators; continue staff and elected level meetings with legislators
- January 9, 2023 – First day of 2022 state legislative session
- April 23, 2023 – Estimated end of 2023 state legislative session





## COMMISSION REGULAR MEETING AGENDA

October 25, 2022

To be held virtually via MS Teams and in person at The Museum of Flight, Skyline Room, located at: 9404 Marginal Way S, Seattle, Washington. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 411 053 916#

### 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**

4a. Raisbeck Aviation High School Student Presentation on the Green Energy Team's Solar Car

**5. EXECUTIVE DIRECTOR'S REPORT**

**6. COMMITTEE REPORTS**

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

During the regular order of business, those wishing to provide public comment on items related to the conduct of the Port will have the opportunity to:

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

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and the topic related to the conduct of the Port you wish to speak to by 9:00 a.m. PT on Tuesday, October 25, 2022. (**Please be advised that public comment is limited to topics related to the conduct of the Port only.**) You will then be provided with instructions and a link to join the Teams meeting.

**3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location:** To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on items related to the conduct of the Port.

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

**\*PLEASE BE ADVISED: Item 11a, Duwamish Valley Community Equity Program and Duwamish River Green Jobs Program Briefing, will be reordered on the agenda to be heard at this time.\***

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

- 8a. Approval of Minutes of the Special Meeting and the Regular Meeting of October 11, 2022. (**no enclosure**)  
**(p.24)**
- 8b. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and Teamsters Local 174, Representing Truck Drivers at Both Marine Maintenance and Port Construction Services, Covering the Period from June 1, 2022, through May 31, 2024.  
**(memo and agreement enclosed) (p.25)**
- 8c. Authorization for the Executive Director to Execute a Sixth Amendment to the Participation Agreement for Cleanup of Sea-Tac International Airport Jet Fuel Facility Executed in November 1995 Between the Port, United Airlines, Continental Airlines, and Olympic Pipeline Company.  
**(memo, agreement, and presentation enclosed) (p.70)**
- 8d. Authorization for the Executive Director to Execute an Agreement with the Washington State Department of Transportation Supporting the Completion of Stage 2 of the State Route (SR) 509 Completion Project as Part of the Puget Sound Gateway Program. **(memo and agreement enclosed) (p.93)**
- 8e. Authorization for the Executive Director to Advertise and Award a Major Works Construction Contract for the Fifth Phase of the Restroom Upgrades on Concourses B, C, and D Project at Seattle-Tacoma International Airport; to Execute a Project Labor Agreement for this Project; and to Use Port crews, in the Amount of \$13,858,000, and a Total Anticipated Project Cost of \$61,692,000. (CIP #C800697)  
**(memo and presentation enclosed) (p.104)**
- 8f. Authorization for the Executive Director to Approve Funding and Procurement for Design, Acquisition, Fabrication, and Installation of Public Art at Seattle-Tacoma International Airport for the 2022/2023 Portion of the 2022-2026 Public Art for Airport Projects CIP in the Amount of \$6,710,000 from the Total Art Pool Budget of \$27,523,820. **(memo and presentation enclosed) (p.133)**
- 8g. Commission Adoption of 2023 Marine Stormwater Utility Rates. **(memo and presentation enclosed) (p.141)**
- 8h. Authorization for the Executive Director to Advertise, Execute Two Separate Construction Contracts, and Transfer Budget/Authorization, as Necessary, Among the 2023 Airfield Projects; to Procure Long Lead Items; to Include a Project Labor Agreement for Both Contracts; to Authorize Use of Port Crews for Abatement Work; to Increase the Budget for the Perimeter Intrusion Detection System Program by \$5,400,000 for a Total Project Budget of \$34,045,000; and to Increase the Budget for the Secured Area Vehicle Checkpoint Project by \$400,000, for a Total Project Budget of \$4,700,000; and a Total Authorization Request of \$67,153,000. (CIP # C800930, C801177, C800844, C801237, C801171) **(memo and presentation enclosed) (p.152)**

**9. UNFINISHED BUSINESS****10. NEW BUSINESS**

- 10a. Authorization for the Executive Director to Increase the Program Budget to the Amount of \$500,000,000.00; to Authorize an Additional \$159,500,000 to Continue Phase A Construction; and to Execute a Tenant Reimbursement Agreement with Alaska Airlines, Inc. for this Portion of the Work of the North Main Terminal Redevelopment Program at Seattle-Tacoma International Airport. ([memo](#) and [presentation enclosed](#))

(p.183)

- 10b. Authorization for the Executive Director to Advertise and Execute Project Specific Contracts for Project Management Including Airline Technical Representative (ATR), Construction Management (CM), Design Services, and Commissioning Services to Proceed with Design of the Project; to Utilize, Authorize, Advertise, and Execute a General Contractor/Construction Manager (GC/CM) Contract; to Proceed with Pre-construction Services and the Delivery of the Project, and to Utilize Port Crews for the South Concourse Evolution Project at Seattle-Tacoma International Airport, in the Amount of \$100,000,000. (CIP #C801203) ([memo](#) and [presentation enclosed](#)) (p.208)

**11. PRESENTATIONS AND STAFF REPORTS**

- 11ai. Duwamish Valley Community Equity Program and Duwamish River Green Jobs Program Briefing. ([memo](#), [previously adopted resolution](#), [article](#), [PCAT statements](#), and [presentation enclosed](#)) (p.225)

- 11b. SEA Part 150 Noise and Land Use Compatibility Study Update Briefing. ([memo](#), [previously adopted resolution](#), and [presentation enclosed](#)) (p.273)

- 11c. Tax Levy Draft Plan of Finance for 2023 – 2027 Briefing. ([memo](#) and [presentation enclosed](#)) (p.293)

**12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS****13. ADJOURNMENT**

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<sup>i</sup> Item 11a will be reordered on the agenda to be heard immediately after Public Comment, and prior to the Consent Agenda.

Agenda Item 8a, Approval of the October 11, 2022 Special Meeting and Regular  
Meeting Minutes

Will be distributed under separate cover



**COMMISSION**  
**AGENDA MEMORANDUM**

**ACTION ITEM**                      **Item No.** 8b

**Date of Meeting** October 25, 2022

**DATE:** October 19, 2022

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

**FROM:** Greg Gauthier, Labor Relations Manager  
Mikel O'Brien, Interim Sr. Director, Labor Relations

**SUBJECT:** New Collective Bargaining Agreement Between the Port of Seattle and the Teamsters Local 174 Representing Truck Drivers at Marine Maintenance and Port Construction Services (PCS)

**Additional cost over term:** \$133,755.69

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and Teamsters Local 174, representing Truck Drivers at both Marine Maintenance and Port Construction Services, covering the period from June 1, 2022, through May 31, 2024.

**EXECUTIVE SUMMARY**

Good faith bargaining between the Port of Seattle and the Teamsters Local 174 resulted in a fair collective bargaining agreement consistent with the Port's priorities.

The bargaining unit consists of seven Truck Drivers at both Marine Maintenance and PCS. Employees in this bargaining unit may operate dump trucks, flatbeds, tilt-deck, or drop-down trailers and may also pick up or delivery materials.

The agreement is for two years covering the period from June 1, 2022, through May 31, 2024. The estimated total cumulative additional cost for wages, pension, healthcare, and other benefits is \$133,755.69.

The estimated cumulative additional cost per year of the contract is Year 1, \$42,748.26; Year 2, \$92,007.43. The costs are based on a year 1 wage increase of 6%, and a year 2 increase based upon CPI-U (0-6%) + ½ of a percent, a \$0.25 per compensable hour pension increase in Year 2, a 4% estimated health and welfare trust fund premium increase in year 2, and an increase of \$30 to the employee's monthly health and welfare premium contribution by the end of term.

Meeting Date: October 25, 2022

**JUSTIFICATION**

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

**SCOPE OF THE AGREEMENT**

Term of the Agreement

June 1, 2022, through May 31, 2024.

**DETAILS**

Term of Agreement—June 1, 2022, through May 31, 2024

**FINANCIAL IMPLICATIONS****Wages**

Classification	June 1, 2022
	6%
Truck Driver	\$38.50
Crew Chief	\$41.77

Cost Impact \$	Term of Agreement (1 Year)
Pay	\$653,510.71
Benefits	\$318,285.69
Total	\$971,796.39

The estimated total cost of this Agreement to the Port of Seattle over the term of the agreement is \$1,993,851.95<sup>1</sup>.

**Pension, Medical, Retirement (RWT)**

Pension contributions per hour compensated

	Year 1	Year 2
Pension	\$11.68	\$11.93

<sup>1</sup> Based upon being fully staffed and with an estimated 6.5% wage increase in YR2

Meeting Date: October 25, 2022

**Medical**

Employees are eligible for Teamsters Plan A and will make the following contributions towards their healthcare monthly:

- Year 1 \$80<sup>2</sup>
- Year 2 \$100

**Teamsters Retirees Welfare Trust Plus XL Plan**

The Port will contribute \$94.85 to the monthly cost of the plan, employees will contribute the remainder through pre-tax monthly payroll diversion.

**Other Changes**

- Incorporated Juneteenth holiday.
- Mutual agreement between the parties to promote equity, diversity, and inclusion.
- Gender specific language amended.
- Increased employee healthcare monthly premium contributions.
- MOU regarding the Port's Vaccination Policy, HR-34

**ATTACHMENTS TO THIS REQUEST**

- (1) Collective Bargaining Agreement (red lined)

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

June 11, 2019—Commission authorization of previous Collective Bargaining Agreement between the Port of Seattle and the Teamsters Local 174 representing Truck Drivers at Marine Maintenance and Port Construction Services (PCS).

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<sup>2</sup> Currently \$70.00

Agenda Item: 8b\_attach  
Meeting Date: October 25, 2022

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## **GENERAL TEAMSTERS LOCAL UNION NO. 174**

Affiliated with the

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS**

**AND**

**PORT OF SEATTLE**

**MUTUAL AGREEMENT**

**JUNE 1, 20182022 THROUGH MAY 31, 20222024**

## TABLE OF CONTENTS

TERMS OF AGREEMENT .....	11
PURPOSE OF THIS AGREEMENT .....	11
SECTION 1 - RECOGNITION - DEDUCTIONS .....	22
SECTION 2 – MANAGEMENT RIGHTS .....	22
SECTION 3 - EXTRA AGREEMENTS .....	22
SECTION 4 - DISCRIMINATION - PICKET LINES .....	22
SECTION 5 - EQUAL EMPLOYMENT .....	33
SECTION 6 - HOURS OF WORK - SHIFT PREMIUM – OVERTIME.....	33
SECTION 7 - SENIORITY .....	55
SECTION 8 - TIME SHEETS AND CLOCKS .....	66
SECTION 9 - INSPECTIONS - BULLETIN BOARD .....	6
SECTION 10 - UNIT WORK PRESERVATION.....	6
SECTION 11 - TRANSFER OF RIGHTS .....	6
SECTION 12 - EQUIPMENT – OVERLOADING .....	6
SECTION 13 - MOONLIGHTING .....	7
SECTION 14 - JURY DUTY .....	7
SECTION 15 - FUNERAL LEAVE.....	7
SECTION 16 - PAID SICK LEAVE - .....	7
SECTION 17 – HOLIDAYS .....	9
SECTION 18 – VACATIONS - .....	10
SECTION 19 - CLASSIFICATIONS - RATES OF PAY .....	1111
SECTION 20 - HEALTH AND WELFARE, DENTAL, VISION, RETIREES' HEALTH AND WELFARE AND LEGAL SERVICES TRUST FUND.....	12
SECTION 21 – PENSION.....	1414
SECTION 22 - DISCHARGE AND SUSPENSION .....	15
SECTION 23 - SETTLEMENT OF DISPUTES .....	1616
SECTION 24-EXPEDITED ARBITRATION .....	1919
SECTION 25 - NATIONAL EMERGENCIES.....	2020
SECTION 26 - NO STRIKES OR PICKETING.....	20
SECTION 27 - SAVINGS CLAUSE .....	21
SECTION 28 – EXAMINATIONS .....	21
SECTION 29 - DEFERRED COMPENSATION .....	21
SECTION 30 - LEAVE OF ABSENCE.....	21
SECTION 31 – LABOR MANAGEMENT COMMITTEE .....	2222
SECTION 32 - PERMANENT REDUCTION IN FORCE.....	23
SECTION 33 – EMPLOYEE DEVELOPMENT AND EDUCATION OPPORTUNITIES	2424
<u>Attachment A</u> .....	27
<u>Non-Exempt (Hourly) Employee* Port of Seattle Paid Sick Leave Notification</u> .....	29
<u>SECTION 34 – COMMUTER BENEFITS</u> .....	25
<u>SECTION 35 –PAYROLL</u> .....	25
APPENDIX A.....	31
<u>POS</u> -PORT CONSTRUCTION SERVICES .....	32
LETTER OF UNDERSTANDING .....	3636

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**GENERAL TEAMSTERS LOCAL UNION NO. 174**  
**Affiliated with the**  
**INTERNATIONAL BROTHERHOOD OF TEAMSTERS**  
**and**  
**PORT OF SEATTLE**

**June 1, 20182022 – May 31, 20222024**

**TERMS OF AGREEMENT**

THIS AGREEMENT between PORT OF SEATTLE and Local Union No. 174 of the International Brotherhood of Teamsters, shall be effective commencing June 1, 20182022 and shall continue in force and effect through May 31, 20222024 and also thereafter, on a year-to-year basis, provided however, for the purpose of negotiating alterations in wages and other terms and conditions of employment, either party may open this Agreement or any contract which is continued on a year to year basis by giving written "Notice of Opening" not later than sixty (60) days prior to the expiration date. "Notice of Opening" is in no way intended by the parties as a termination of, nor shall it in anywayany way be construed as a termination of, this Agreement or any contract which is continued on a year to year basis nor as forestalling a year to year basis as herein provided.

Except by mutual written agreement, termination of this Agreement or any contract which is continued on a year to year basis, must, to the exclusion of all other methods, be perfected by giving written "Notice of Termination" not later than sixty (60) nor more than ninety (90) days prior to the expiration date, whereupon the contract shall, on its expiration date, terminate. Effective termination eliminates any agreement that was continued on a year to year basis.

Any "Notice of Opening" or "Notice of Termination" given within sixty (60) days of any expiration date shall be absolutely null and void and completely ineffective for all purposes.

The parties understand and agree that the above does not preempt state law, nor does a continuation of this agreement on a year to year basis thereafter provide a contract bar.

**PURPOSE OF THIS AGREEMENT**

The purpose of this Agreement is to establish wages, benefits, and conditions of employment which shall apply to Port employees who are represented by Teamsters Local No. 174 and are employed in classifications referred to in this Agreement. The parties mutually agree that there are special conditions relating to Port employment in consideration of the nature of Port operations and in view of the Port's status as a municipal corporation which differ from private industry. The parties agree that this Agreement represents the current industry conditions.

## **SECTION 1 - RECOGNITION - DEDUCTIONS**

- 1.01 The Employer hereby recognizes, during the term of this Agreement, Local Union No. 174, affiliated with the International Brotherhood of Teamsters, as the sole and exclusive bargaining agency for all employees of the Employer whose job classification is set forth in this Agreement.
- 1.02 The Port agrees to deduct from the paycheck of each Union member covered by this Agreement who has so authorized it by a signed notice submitted to the Port, the initiation fee, and regular monthly dues. The Port shall transmit such fees to the Union once each month on behalf of the members involved.
- 1.03 **Indemnification** – The Union shall indemnify and hold the Port harmless against any and all claims, demands, law suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Port in reliance upon signed authorization cards furnished to the Port by the Union, or for the purpose of complying with any provision of this Article.
- 1.04 As per the requirements of RCW 41.56, the Port agrees to provide authorized representatives of the Union thirty (30) minutes access to new bargaining unit employees within ninety (90) days of notification of the new hire to the Union. It is agreed, that it shall be up to the Union to contact the respective Department Manager to schedule a mutually agreeable time and location at the worksite for the access to take place. It is further agreed that the Port is only obligated to compensate the new employee for the time spent (thirty minutes) during regular working hours during this scheduled access.

## **SECTION 2 – MANAGEMENT RIGHTS**

Subject only to specific provisions in this Agreement, the management of the facilities, the direction of the work force, and all decision related thereto, shall be the exclusive right of the Employer.

## **SECTION 3 - EXTRA AGREEMENTS**

The Employer agrees not to enter into any agreement or contract with the employee, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

## **SECTION 4 - DISCRIMINATION - PICKET LINES**

- 4.01 No employee shall be discriminated against for upholding Union principles, and any employee who works under the instructions of the Union, or who serves on a committee shall not lose his/her/heir job or be discriminated against for this reason.

4.02 It shall not be a violation of this Agreement or cause for discharge or permanent replacement for any Port employee to refuse to cross a primary legal picket line, lawfully established, approved by the Union party to this agreement, at the premises of another employer, in the performance of his/hertheir duties.

## SECTION 5 - EQUAL EMPLOYMENT

5.01 The Port of Seattle is an equal opportunity and affirmative action employer. The Port embraces, and in fact relies on having a that values diverse workforce. Every employee has the right perspectives and life experiences. We encourage people of all backgrounds to work in surroundings that are free from all forms of unlawful discrimination. The Port and the Union will not engage in, or tolerate, any discrimination in the workplace prohibited by local, state or federal law. Specifically, no employee apply, knowing decisions concerning the employment relationship will be discriminated against because of made without regard to age, race, ethnicity, color, religion, creed, national origin, ancestry, sex, (including pregnancy, gender identity, age (over 40), sexual orientation, religion, military status, disability, gender identity or expression, national origin, marital status, political ideology, whistleblower, citizenship status, veteran status, use of workers' compensation, Family Medical Leave Act (FMLA) use, Union affiliation, the presence of any physical or mental disability, or any other category, status or characteristic protected by applicable federal, state, or local law, regulations and ordinances.

5.02 The term "employees" as used in this Agreement includes both male and female employees covered by this Agreement. In addition, wherever in this Agreement the masculine gender is used, it will apply to the female gender as well. It is the intent of the bargaining parties to be fair and equal to both genders.

5.02 The Port and the Union are committed to promoting equity, diversity, and inclusion in the workplace. The Port refers to equity as the fair treatment, access, opportunities, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of historically oppressed communities.

## SECTION 6 - HOURS OF WORK - SHIFT PREMIUM – OVERTIME

6.01 (a) Five (5) consecutive days of eight (8) consecutive hours, Monday through Friday, inclusive with the same starting and quitting times, during the work week per individual, shall constitute a week's work, time to start when driver arrives at the garage. It is agreed that to provide flexibility, starting time for first shift may commence before 8:00 a.m., but no sooner than 6:00 a.m. **EXCEPTION:** Port Construction Services and Marine Maintenance may, during the course of the work week, change an employee's assigned starting time and quitting time provided the starting times at each operation is different and the employee(s) is required to work at both operations in the workweek. However, the amount shall not to exceed one hour. Drivers may be assigned to a schedule consisting of four (4) consecutive days of ten (10) consecutive hours, not including a thirty (30) minute unpaid lunch, either Monday through Thursday or Tuesday through Friday. Day

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shift Drivers and/or helper shall not work before 6:00 a.m. except for the Port paying pre-shift overtime. Any work performed before the regular starting time or after the regular quitting time, shall be considered overtime and shall be paid for at the rate of time and one-half. Saturday work shall be guaranteed eight (8) hours' work at the rate of time and one-half. All Sunday work shall be guaranteed eight (8) hours work at the rate of double time. When an employee reports for work, as directed, he/she/they shall receive a full day's pay.

| (b) Direct site reporting:

1. Drivers will direct report to established jobsites.
2. Provision of a portable toilet and a heated and lighted job shack with lunchroom shall constitute an established jobsite (Domicile) for the purpose of this agreement. Domiciles will be established for a minimum of three days.

(c) Any starting time beginning four (4) hours or less, prior to 12:01 a.m. Sunday, shall be paid at the rate of double time (2X) for the full shift.

6.02 Each employee shall receive two (2) fifteen (15) minute paid rest periods during each shift, one (1) to be scheduled each half shift. In event of post shift overtime in excess of one hour, each employee shall receive an additional paid rest period of fifteen (15) minutes after the first (1<sup>st</sup>) hour of work.

6.03 Nightshift premium for all second shift work performed shall be one dollar (\$1.00) per hour. It is agreed that to provide flexibility, starting time for second shift may commence before 6:00 p.m. but no sooner than 2:00 p.m.

Third shift premium of one dollar fifty cents (\$1.50) per hour shall be paid for all third shift work. It is agreed that to provide flexibility, starting time for third shift may commence before 11:00 p.m. but no sooner than 7:30 p.m.

In computing overtime, for less than fifteen (15) minutes, fifteen (15) minutes shall be allowed; for over fifteen (15) minutes and less than one-half (1/2) hour, one-half (1/2) hour shall be allowed; for over one-half (1/2) hour and less than forty-five (45) minutes, forty-five (45) minutes shall be allowed; for over forty-five (45) minutes and less than one (1) hour, one (1) hour shall be allowed.

| 6.04 RegularUnless otherwise mutually agreed to by the parties, regular seniority employees shall have the semi-annual right, by seniority, to bid, if qualified, shift choice. Semi-annual bidding shall be for January and June. If a regular seniority employee bids for and is assigned to a shift, the employee shall remain assigned to that shift for a six (6) month period as long as work is available on that shift. If such work is unavailable, the employee shall return to his/her/their former shift. If such work again becomes available on the shift that was bid, the employee shall return to that shift and remain on it until the end of the six (6) month period.

- 6.05 When an employee is called back to work after completion of the normal shift, such employee shall receive a minimum of four (4) hours pay at the time and one-half (1-1/2) rate.

## SECTION 7 - SENIORITY

- 7.01 The probationary period shall be one hundred twenty (120) work days of employment and shall be completed within a twelve month period from the date of hire. Probation prevails prior thereto. Prior to seniority and consistent with the Equal Employment Section, employees may be laid off with or without cause. The employee's seniority date shall revert back to the first day worked.

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- 7.02 A copy of the current Seniority List shall be posted and also furnished the Union upon request. Seniority shall prevail in all layoffs and rehires.

- 7.03 Regular seniority employees on layoff for thirty (30) days or less, to be eligible to be called for work, must remain available and must provide a phone number where they may be contacted. Employees on temporary layoff must call in before 3:00 p.m. every Friday and advise concerning availability for the following week. The employee shall be responsible for calling in between 2:30 – 3:00 p.m. the working day prior for all days made available on Friday. The Employer may assume unavailability if employee fails to call as herein provided.

- 7.04 If unavailable by phone, a regular seniority employee, laid off for thirty one (31) days or longer shall be given written notice of recall when work is available by certified mail addressed to his/her/heir last known address on file with the employer with a copy to the local union. The Employer may also call such employee to notify the employee of recall. Such employee must report to work within three (3) work days after the date of recall; acknowledged and witnessed by a Bargaining Unit member when the phone call is received, or receipt of the certified letter. It shall be incumbent on this employee to notify the Department Manager in writing, return receipt requested of change of address and phone number.

- 7.05 Employees elected or appointed to perform full-time Union duties shall retain, and continue to accumulate, seniority for the period of time necessary to fulfill such full-time duties. Employees must return to work within 90 days after leaving Union assignment or lose their seniority.

- 7.06 Seniority shall be broken only by justifiable discharge, voluntary quit, failure to return to work after recall under 6.05 or more than thirty-six (36) months' layoff. In the event of a lay-off, the last employee hired shall be the first laid off and the last employee laid off shall be the first recalled.

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- 7.07 Notwithstanding section two (2) in the PCS addendum, pre-or post-shift overtime that is not an extension of the normal workday will be assigned by seniority. Overtime on weekends and holidays will be made available to the entire bargaining unit according to seniority, according to an employee's shift bid selection as associated with a department and/or workgroup (e.g. PCS, Laborers, etc.). Extra employees (emergency hires) shall not be employed to deprive regular seniority employees of Saturday/Sunday overtime. Extra employees shall not be utilized to avoid full time employment opportunities, except that seasonal type work shall not apply. Employees

with emergency hire status shall be placed on the seniority list only in compliance with Section [67.01](#).

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## **SECTION 8 - TIME SHEETS AND CLOCKS**

A daily time record shall be maintained by the Employer at its place of business.

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## **SECTION 9 - INSPECTIONS - BULLETIN BOARD**

- 9.01 Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, and ascertaining that the Agreement is being adhered to: provided, however, that there is no interruption of the Employer's working schedule.
- 9.02 The Union shall have the right, when it deems there is a violation of this Agreement, to check the Local No. 174 bargaining unit payroll records in regard to wages, pension, health and welfare, or any other cost or fringe items, including overtime pay.
- 9.03 The Employer agrees to provide a locking glassed in bulletin board for the Union to use for official postings. Communications on such boards are to be confined to business of the Union.

## **SECTION 10 - UNIT WORK PRESERVATION**

- 10.01 Work within the historical jurisdiction of Local No. 174's Port bargaining unit, if performed by Port employees, shall be done by members of said bargaining unit.
- 10.02 The Employer must not make unilateral changes in wages, hours, or other terms and conditions of employment of unit employees, without prior good-faith consultation and bargaining with the Union, concerning the effects of such changes.

## **SECTION 11 - TRANSFER OF RIGHTS**

In the event that an Employer absorbs, purchases, or merges with another Employer, all wages and vacation privileges shall continue and all other benefits under this Agreement shall prevail.

## **SECTION 12 - EQUIPMENT – OVERLOADING**

- 12.01 The Employer shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement, where employees refuse to operate such equipment, unless such refusal is unjustified. Any employee involved in any accident shall immediately report said accident and any physical injury sustained.
- 12.02 Adequate heaters and adequate defrosters and large mirrors will be installed in the cabs and on the cabs of all trucks and tractors. The Employer agrees to make a reasonable and practical effort to

provide such equipment in all units now in service and keep them in good working order. Trucks and Tractors purchased after January 1, 2006, shall be equipped with air conditioning.

- | 12.03 In the event a driver loses ~~his/their~~ driver's license solely for the reason of overloading, the Employer shall be responsible for all fines and all wages and benefits lost because of the overload.

### **SECTION 13 - MOONLIGHTING**

The Employer shall not employ, under this Agreement, any person who is regularly employed full-time elsewhere; provided, however, this provision shall not apply to persons hired prior to January 1, 2001.

### **SECTION 14 - JURY DUTY**

- 14.01 When an employee covered by this Agreement is called upon for jury service in any municipal, county, state, or federal court, ~~he/they~~ shall advise the Employer upon receipt of such call, and if taken from ~~his/her/their~~ work for such service, shall be reimbursed, as provided herein, for any loss of wages while actually performing such service; provided ~~he/she exhibits they exhibit~~ to the Employer ~~his/her/their~~ properly endorsed check and permits the Employer to copy the check or voucher ~~he/she they~~ received for such service. It is further agreed for the purpose of this subsection that employees on 2<sup>nd</sup> and 3<sup>rd</sup> shift will be treated as though on 1<sup>st</sup> shift.
- 14.02 The amount the employee shall be reimbursed shall be determined by subtracting the amount ~~he/she they~~ received for such service from the amount ~~he/she they~~ would have earned at ~~his/her/their~~ regular straight hourly rate during the regular working hours ~~he/she they~~ missed while performing such service.

### **SECTION 15 - FUNERAL LEAVE**

If any employee covered by this Agreement suffers a death in the immediate family, such employee shall be allowed three (3) days off with pay, regardless of what day the death may occur, by payment of twenty-four (24) hours' pay at the straight-time hourly rate. Immediate family shall be defined as a wife, husband, domestic partner as defined in the Port's HR-5, son, daughter, mother, father, brother, sister, mother-in-law, father-in-law, and grandparents. Also included are grandchildren and stepchildren, provided that they reside with the employee. Funeral leave eligibility relating to the death of a mother-in-law or father-in-law is based upon the requirement that the employee attends the funeral. Five (5) days paid leave will be granted if the funeral is outside Washington State. Employees must attend the funeral to be eligible.

### **SECTION 16 - PAID SICK LEAVE -**

- 16.01 Beginning the first of the month after the execution of this Agreement, regular seniority employees shall begin accruing paid Sick Leave at the rate of .03846 hours per straight time hour paid, not to exceed 80 hours per year. Sick Leave must only be used for scheduled work days.

16.02 Unused Sick Leave shall accumulate in a bank of no more than four hundred eighty (480) hours. However, additional sick leave may be accrued and utilized subject to the minimum requirements of the Washington Paid Sick Leave Law.

Unused, accrued, Sick Leave identified to meet the minimum requirements of the Washington Paid Sick Leave Law, will be reinstated upon rehire within twelve (12) months.

Upon termination or retirement, employees with at least five (5) years of continuous service may cash out their Sick Leave bank (within 480-hour limit) at 50% of the then current rate of pay.

16.03. Sick Leave pay shall be payable at the rate of one (1) day's (eight (8) hours) pay per day at the straight-time rate from the first (1<sup>st</sup>) day of bona fide absences caused by illness or accident.

The daily total of Sick Leave pay under this Section, and any disability payments that may be provided and permissible by the Health and Welfare Plan under Section 20, shall not exceed the daily contract rate under Section 19. Sick Leave is not to be paid for holidays.

16.04 An employee may use Sick Leave during approved workers' compensation time-loss periods to supplement time-loss payments. Sick Leave supplements can be paid in amounts sufficient to bring the total pay up to the normal bi-weekly rate when possible.

16.05 Emergency Hires shall be entitled to accrue and utilize paid sick leave in accordance with the minimum requirements of the Washington Paid Sick Leave Law.

16.06 Washington Paid Sick Leave. The Port will identify the portion of paid Sick Leave that is available for use according to the minimum requirements of the Washington Paid Sick Leave Law ([Attachment A](#)) on each employee's paystub as "protected." **This is not an additional bank of paid Sick Leave.**

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As of January 1, 2018, employees Employees are entitled to accrue one (1) hour for every forty (40) hours worked to be identified for use for authorized purposes as defined below. Employees shall be entitled to carry-over no more than forty (40) hours of the identified portion of paid Sick Leave into the following year.

The Washington State Paid Sick Leave "protected" portion of an employee's paid Sick Leave can be used for an absence resulting from an employee or family member's mental or physical illness, injury, or health reason; to accommodate a need for medical diagnosis, procedure, care, or treatment; or need for preventative medical care. In addition, Sick Leave may be used for:

- a qualifying FMLA or FCA absence,
- for absences that qualify for leave under the Domestic Violence Leave Act
- when an employee's work location has been closed by order of a public official for any health-related reason,

- or, when an employee's child's school or place of care has been closed for a health-related reason (not weather related).
- 16.07 Employee's Manager may require a physician or health care provider's statement to justify use of Sick Leave after an absence exceeding three (3) days. A physician's release is required prior to the return to work by an employee who has experienced inpatient hospitalization of any kind that requires an absence from work, or who has suffered an absence longer than two weeks due to illness, surgery, or an accident.
- 16.08 Family member, for Sick Leave purposes, is defined as a spouse or domestic partner and the parents of children of the employee or their spouse or domestic partner; as well as the employee's siblings, grandparents or grandchildren.

An employee and their domestic partner must complete an Affidavit of Marriage/Domestic Partnership.

## SECTION 17 – HOLIDAYS

- 17.01 Beginning the first of the month after the execution of this agreement, the following days shall be recognized as paid holidays for all regular seniority employees:

- New Year's Day
- Martin Luther King's Birthday (3rd Monday in January)
- President's Birthday (3rd Monday in February)
- Memorial Day (last Monday in May)
- Independence Day
- Labor Day (1st Monday in September)
- Thanksgiving Day
- Native American Heritage Day (day after Thanksgiving)
- Juneteenth (Date designated by the Port)
- Christmas Day
- Three (3) employee-designated Floating Holidays-Scheduled by mutual agreement

- 17.02 Regular and extra employees who work on a recognized holiday shall be paid time and one-half (1-1/2). No employee shall be called to work on a recognized holiday for less than a full day.
- 17.03 When a recognized holiday falls on Sunday, the Monday following shall be considered the holiday, or if it falls on a Saturday, the previous Friday shall be considered the holiday.
- 17.04 Beginning the first of the month, after the execution of this agreement, all regular seniority employees shall be paid eight (8) hours straight-time pay for all such holidays not worked, regardless of which day in the week the holiday should fall upon.

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17.05 To be eligible for benefits under this section, employees must have worked the scheduled day directly preceding the holiday, and the scheduled day directly after the holiday. Exceptions shall be made for those employees on leave for authorized purposes as defined by the Washington Paid Sick Leave Law.

## **SECTION 18 – VACATIONS -**

18.01 Beginning the first of the month after the execution of this agreement, all regular seniority employees who have been employed for a period of one year or more shall be allowed to take vacations, as follows:

- One week after one year
- Two weeks after two years
- Three weeks after five years
- Four weeks after nine years

18.02 Beginning the first of the month after the execution of this agreement, vacation accruals shall be earned as follows:

(a) **40 Hours Vacation:** Based on the first day of employment, from the first full month to and including the twelfth full month of continuous employment, regular employees shall accrue vacation leave at the rate of .0192 hours per straight-time hour compensated (.0192 x 2080 annual hours = 40 vacation hours per year).

**80 Hours Vacation:** From the twenty fourth full month to and including the forty-eighth full month of continuous employment, regular employees shall accrue vacation leave at the rate of .0385 hours per straight-time hour compensated (.0385 x 2080 annual hours = 80 vacation hours).

(b) **120 Hours Vacation:** From the sixty first-full month to and including the ninety sixth full month of continuous employment, regular employees shall accrue vacation leave at the rate of .0577 hours per straight-time hour compensated (.0577 x 2080 annual hours = 120 vacation hours)

(c) **160 Hours Vacation:** From the ninety seventh full month to and including the one hundred eightieth full month of continuous employment, regular employees shall accrue vacation leave at the rate of .0770 hours per straight-time hour compensated (.0770 x 2080 annual hours = 160 vacation hours).

18.03 Vacations shall be scheduled in accordance with seniority with the understanding that in the case of employees entitled to three (3), or four (4) weeks' vacation, not less than two (2) weeks shall be scheduled consecutively in accordance with seniority, and the remaining earned vacation time by mutual agreement between Employer and employee.

18.04 Vacation lists shall be posted.

- 18.05 Shared Leave. Employees may participate in the Port of Seattle's Shared Leave Program as outlined in HR-5. The Port may change or modify its Shared Leave Program. It is further agreed that content of the program itself, program administration, and any determinations made under the program shall not be subject to any other provisions of this Labor Agreement or to negotiation by the Union.

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## **SECTION 19 - CLASSIFICATIONS - RATES OF PAY**

- 19.01 Additional classifications that apply to PCS are noted in the PCS addendum.

(a) (a) — WAGE SCALE

Effective June 1, 2022, the Truck Driver base wage rates 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. The index used shall be the most recent annual CPI-U, October through October.

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Wage rates shall be the following:

**Truck Driver** \$38.50

## Dump Truck

Hostler

Effective on the first of the month following the execution of this agreement,

Effective June 1, 2023, the Truck Driver base wage rates 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 a percent (.5%). The index used shall be the most recent annual CPI-U, October through October.

Wage rates shall be the following:

**Truck Driver** \$33.87TBD

## ~~Dump Truck~~

Hostler

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Effective on the first of the month, twelve (12) months following the execution of this agreement, Wage rates shall be the following:

~~Truck Driver~~ \$35.02

## Dump Truck

Hostler

Effective on the first of the month, twenty-four (24) months following the execution of this agreement, Wage rates shall be the following:

Truck Driver

Dump Truck  
Hostler

\$36.32

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Crew Chief Differential shall be eight and one half (8 1/2) percent above the regular driver hourly rate of pay.

- (b) The seven (7) most senior employees shall be guaranteed a full week's work, subject to the following: When a full week guarantee position is vacated by justifiable discharge, death or a voluntary quit including retirement, the position will be filled as a full week guarantee position by the next most senior employee if a non-guaranteed, seniority employee has worked at least 1385 hours (66.6% of a FTE) during the prior 12 months.

EXCEPTION, for the period beginning June 1, 20182022 through May -31st, 20222024 the above seven (7) shall be reduced to Four (4). Beyond May -31st, 20222024, the contractual seven (7) positions will apply for the sole purpose of negotiations. However, it is agreed to by the Union and the Port that four (4) positions shall be the status quo. The parties agree that increasing the positions from four (4) to seven (7) is not arbitrable during the contract opening period through conclusion of the negotiation process). Regular employees hired after the signing of this agreement who are laid off shall have the right of first (1st) call by seniority for any available extra work.

- | 19.02 When a driver makes a trip which necessitates his/her/their being away from home overnight, he/she/they shall be compensated for expenses in accordance with the Port's Accounting and Financial Reporting Policy, AC-2.

**SECTION 20 - HEALTH AND WELFARE, DENTAL, VISION, RETIREES' HEALTH AND WELFARE AND LEGAL SERVICES TRUST FUND**

- | 20.01 EFFECTIVE June 1, 20192022, the employer shall pay into the Washington Teamsters Welfare and the Western Conference of Teamsters Legal Services Trust for every Employee covered by this agreement who was compensated for sixty (60) hours in the previous month, the following:

- | (a) Health & Welfare – the sum of \$1,433.00\$1514.40 (including Domestic Partner Coverage) for benefits under the plan A with the following options:

With an additional \$15,000 Life & AD&D & \$1,500 Dependent Life at \$4.40 per month

With an additional \$ 400.00 weekly time loss at \$18.00 per month.

With an additional 9 month medical waiver at \$11.40 per month.

Total per month \_\_\_\_\_  
\$1,466.801550.60

Effective on the first of the month after the execution of this agreement, each employee eligible for benefits in any month under this section shall contribute thirtyeighty dollars (\$3080.00) to the cost of the Health & Welfare monthly premium.

Effective ~~on the first of the month, twelve (12) months after the execution of this agreement~~June 1, 2024, each employee eligible for benefits in any month under this section shall contribute fiftyone hundred dollars (\$50100.00) to the cost of the Health & Welfare monthly premium.

~~Effective on the first of the month, twenty four (24) months after the execution of this agreement, each employee eligible for benefits in any month under this section shall contribute seventy dollars (\$70.00) to the cost of the Health & Welfare monthly premium.~~

- (b) Retiree's Health & Welfare – The following amounts per month for benefits under Plan RWT Plus Teamsters Retirees Welfare Trust Plus XL plan – The Port shall contribute ninety-four dollars and eighty-five cents (\$94.85) per month for the term of the Agreement toward the monthly premium of each member enrolled in the Teamsters Retiree Welfare Trust Plus XL plan. The remaining balance of the monthly premium rate shall be made through a pre-tax monthly payroll deduction.

Effective June 1, 2019 \$94.852022 \$175.00  
Effective June 1, 2020 \$TBD  
Effective June 1, 2021 \$TBD

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- (c) Dental – the sum of \$132.70 (including Domestic Partner Coverage) per month for benefits under "PLAN A."

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- (d) Vision – the sum of \$17.30 (including Domestic Partner Coverage) per month for benefits under the "EXTENDED PLAN."

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- (e) Legal Services – the sum of \$ 17.30 per month for benefits under the "WESTERN CONFERENCE OF TEAMSTERS LEGAL SERVICES PLAN."

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The Employer shall maintain the current level of all benefits listed above during the term of this agreement.

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- 20.02 Payments required under any of the foregoing provisions shall be made on or before the tenth (10<sup>th</sup>) day of the month. Upon Union request, copies of all transmittals, pertaining to benefits under this section shall be posted on the bulletin board.

- 20.03 If the Employer is delinquent in payments, the Employer shall be liable for the payment of any claims incurred by Employees or dependents during such delinquency. If delinquent, the Employer may be notified by the Union and, thereafter, shall have five (5) days to pay the amount due. If payment is not made by the end of five (5) days, the Union may, without liability therefore; implement any economic persuasion deemed expedient and such shall not be a violation of this agreement.
- 20.04 The Health & Welfare, Retiree's Health & Welfare and Legal Services Trust agreements are by reference, incorporated herein and deemed a part thereof as though fully set forth. The Employer agrees to abide by terms of any successor Trusts.
- 20.05 Employer agrees to execute necessary Trust forms and maintain above benefits and new benefits, consistent with uniform Trust directives.
- 20.06 At any time during the term of this agreement, if the benefits provided by Washington Teamsters Welfare Trust and the Western Conference of Teamsters Legal Services Trust become subject to an excise penalty, the parties agree to meet and discuss the impact.

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## SECTION 21 – PENSION

- 21.01 EFFECTIVE JUNE 1, 20182022, based on May hours, the Employer shall pay the amounts listed below per hour into the Western Conference of Teamsters Pension Trust on account of each member of the bargaining unit for every hour for which compensation was paid. Allocated as follows:

Effective Date	Basic Contribution	Peer 80	Total Contribution
<u>TBD</u> <u>Current</u>	\$ 10.03	\$ 1.65	\$ 11.68
<u>6/1/2023</u>	<u>\$10.24</u>	<u>\$1.69</u>	<u>\$11.93</u>

- (a) -Ten dollars and three cents (\$ 10.03) per hour in the first year of the term of this agreement and Ten dollars and twenty-four cents (\$10.24) in the second year of the term of this agreement to the basic plan of benefits.
- (b) One dollar and sixty-five cents (\$ 1.65) per hour to the Program for Enhanced Early Retirement (PEER 80.)in the first year of the term of this agreement and one dollar sixty-nine (\$1.69) in the second year of the term of the agreement to the Program for Enhanced Early Retirement (PEER 80).

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It is understood that the PEER (80) contribution will not be taken into consideration for benefit accrual purposes under the Pension Plan. Also, the PEER (80) rate must always be sixteen and one-half percent (16.5%) of the basic rate (rounded to the nearest cent) and may not be decreased or discontinued (unless directed by the Pension Trustees.)

| 21.02 EFFECTIVE UPON RATIFICATION, the bargaining unit shall have the ability to divert wages to pension. All pension payments shall be made in accordance with Western Conference of Teamsters Pension Trust rules.

21.03 EFFECTIVE JUNE 1<sup>st</sup> of each contract year, the bargaining unit shall have the ability to divert wages to pension. The union shall provide the Port a minimum sixty (60) days advance written notice of such diversion. All pension payments shall be made in accordance with Western Conference of Teamsters Pension Trust rules.

## **SECTION 22 - DISCHARGE AND SUSPENSION**

22.01 Warnings, suspensions, or discharges not in accordance with the provisions of this Article are null and void.

22.02 No regular seniority employee(s) shall be warned or suffer suspension or discharge except for just cause and in strict accordance with the provisions of this Article and such must be in writing and dated.

22.03 As a condition precedent to any suspensions or discharges, the Employer must have given the employee a written warning notice wherein facts forming the grounds of Employer dissatisfaction are clearly set forth. The facts therein set forth must be of the same type as those upon which the suspension or discharge is founded. Warnings, suspensions, or discharges must be given by registered or certified mail or personally with a written acknowledged receipt.

22.04 Copies of all warning notices, suspensions, or discharges shall immediately be forwarded to the Union.

| 22.05 Warning notices must be issued within ten (10) working days (e.g. Monday – Friday, excluding holidays) of the date the Port knew or reasonably should have known of any given incident.

Suspensions and discharges, except as hereinafter provided, must be issued within ten (10) working days (e.g. Monday – Friday, excluding holidays) of the Loudermill Hearing, which, shall take place within ten (10) days (e.g. Monday – Friday, excluding holidays) of the date the Port knew or reasonably should have known of any given incident. Warning notices, suspensions and discharges not issued within the limitations as defined above, are null and void. The day of receipt shall be excluded in the limitations as defined above time limitation. Warning notices shall be null and void and incompetent evidence under the provisions of this Agreement after nine (9) months. Upon mutual agreement the Parties may extend the time guidelines in 22.05.

22.06 EXCEPTION: Warning notices are not necessary if the grounds are for:

1. Dishonesty—

2. Harassment and/or discrimination based upon a protected status referenced in Section 5.
3. Recklessness--Defined in Black's Law Dictionary.
4. Carrying unauthorized passengers while operating Employer's vehicles.
5. Possession, sale or use of dangerous drugs or narcotics or drinking related to employment.
6. Fighting or striking another person.
7. Insubordination.
8. Theft (stealing time, materials, money, or equipment)
9. Actions involving willful misconduct.

In no event shall a notice of intent to discharge or suspend under these exceptions be executed more than ten (10) working days following the Employer's knowledge of the occurrence of the incident forming the grounds. In no event shall a suspension or discharge be executed more than sixty (60) days following the incident, except for dishonesty for which there is no time limitation, and for instances of harassment or discrimination actionable under RCW 49.60 which occur after the ratification and signing of this agreement, for which a nine (9) month limitation applies.

- 22.07 Discharges or suspensions under the foregoing exceptions must not be founded on evidence secured directly or indirectly through entrapment. Further, except for surveillances by on-duty officers of the law, discharges or suspensions, under these exceptions, based on reckless driving must not be founded upon evidence secured directly or indirectly through surveillance.
- 22.08 Any employee(s) has the right to request an investigation, by the Union, of any warning notice, suspension, or discharge provided such request is made within ten (10) working days (e.g. Monday – Friday, excluding holidays) of receipt of same; otherwise the right to request an investigation is waived. The day of receipt of a warning notice, suspension, or discharge shall be excluded in figuring time. If the tenth (10th) day falls on a Saturday, Sunday, or holiday, the next following normal day of work shall be considered the tenth (10th) and last day.
- 22.09 Grievances arising as a result of any such investigation shall be settled in accordance with the provisions of the Settlement of Disputes Article.

### **SECTION 23 - SETTLEMENT OF DISPUTES**

- 23.01 The right to process and settle grievances is wholly, to the exclusion of any other means available, dependent upon the provisions of this Article. The Union and Employer agree to act promptly and fairly in all grievances.
- 23.02 The existing wage structures are not to be subjected to the provisions of this Article for determination or alteration.
- 23.03 The Union shall not be required to press employee grievances, if, in the Union's opinion, such lack merit. With respect to the processing, disposition, and/or settlement of any grievance, including

hearings and final decisions of Boards and Arbitrators, the Union shall be the exclusive representative of the employee(s) covered.

- 23.04 Employees, whether Union members or not, shall have no independent unilateral privilege or right to invoke grievance procedures or to complain against the Union for failing or refusing to do so unless the Union is guilty of arbitrary or wrongful conduct and/or bad faith in its responsibilities of fair representation.
- 23.05 The processing, disposition, and/or settlement by and between the Union and the Employer of any grievance or other matter shall, except as in the preceding paragraph provided, be absolute and final and binding on the Union and its members, the employee(s) involved and the Employer. Likewise, as to hearings and the final decisions of a Board or Arbitrator.
- 23.06 A Board or Arbitrator shall have no power to add to or subtract from or to disregard, modify, or otherwise alter any terms of this or any other agreement(s) between the Union and Employer or to negotiate new agreements. Board and/or Arbitrator powers are limited to interpretations of and a decision concerning appropriate application of the terms of this Agreement or other existing pertinent agreement(s), if any. Board and Arbitrator decisions shall be subject to provisions of applicable existing laws, including Court and PERC decisions, and executive or administrative orders and/or regulations. Executive or administrative policies shall also prevail unless in conflict with this Agreement.
- 23.07 Failure to abide the final decision of a Board or Arbitrator shall be a violation of this Agreement. The Union or Employer may, if deemed expedient, seek Court enforcement of any final decisions of a Board or Arbitrator.
- 23.08 **STEP ONE:** Should a matter coming to the knowledge of the Union or Employer, give rise to a grievance, such shall be submitted to the Union, by the Employer, or to the Employer, by the Union. The submissions must be in writing. The written document shall describe the incident involved, the provision of the Agreement alleged to be violated, and the remedy requested. Grievances arising under the Discharge and Suspension Article must be submitted to the Employer within ten (10) working days of the notice of warning, suspension or discharge, otherwise same are barred. Grievances arising under all other Articles must be submitted within forty-five (45) calendar days of when the employee knew or should have known of the incident giving rise to the grievance. Within ten (10) working days of receipt of the grievance, the non-grieving party shall furnish a written response to the grievance. During that time, the Union and the Employer shall diligently seek to reach a fair informal settlement. If a grievance is not appealed to the next step within the specified time limit, it shall be considered withdrawn without prejudice.
- 23.09 **STEP TWO:** If an informal settlement is not reached, pursuant to the ten (10) working days provision of Step One above, the matter shall thereafter be submitted in writing to the Union by the Employer or to the Employer by the Union with a request for a Board of Adjustment hearing. Within ten (10) working days of this submission and request, the Board shall be created and the hearing shall be held within thirty (30) calendar days. Such shall consist of two appointees by the Union and two by the Employer or Employer Association, if any. The Board shall have, except

as herein otherwise provided, jurisdiction for the duration of the grievance.

A. Compensation, costs, fees, or other remuneration, if any, for Board members must be derived solely from the appointing party. Board members, by acceptance of their appointments, agree to the provisions of this Article.

B. The hearing shall not be public. The Union and the Employer may be represented as desired and each may have a reporter, if desired.

- 23.10 The Union and Employer shall each have the privilege of making an opening statement, such may be oral or typewritten and may be made by Board members.

The Union and Employer must be accorded fair and reasonable opportunity to be heard, present evidence, both documentary, including affidavits, and oral by Board members or others and also afforded liberal examination and cross-examination privileges in order to fully and accurately develop the facts. The Employer shall, when requested by a Board member and when practicable, make employees available as witnesses without loss of pay. Witnesses shall be free of restraint, interference, coercion, discrimination, or reprisal. The Board may, from time to time, by majority vote, provide reasonable continuances and postponements of the hearing(s) as deemed appropriate.

- 23.11 If the Board is able to reach a majority decision, it shall within ten (10) working days of termination of the hearing(s) render a final written decision. Such shall be dated and subscribed by all concurring Board members and a notation made of the dissenter, if any. The decision shall contain orderly and concise Findings of Fact. Copies, in duplicate, of all final decisions shall be forthwith forwarded to the Union and Employer and the original shall be delivered to the Union for filing and preservation.

- 23.12 In the event of death or other disqualification or unavailability of a member of the Board of Adjustment, a replacement may be made consistent with initial appointment provisions.

- 23.13 **STEP THREE:** If within ten (10) working days of termination of the hearing(s), provided in Step Two, the Board has failed to agree on disposition, the matter shall be submitted to Arbitration. The Employer and Union may not take economic action commensurable with arbitration. If the parties are unable to agree on the selection of an arbitrator within ten (10) days, the parties shall immediately request the Federal Mediation and Conciliation Service submit a panel of eleven (11) arbitrators. The parties shall flip a coin to determine who strikes the first name, the other party shall then strike a second name, and the parties shall continue to strike alternately until one (1) name remains. The remaining person shall be the arbitrator. The arbitrator shall be notified of his/her/heir selection requesting that he/they set a time and place, subject to the availability of the Employer and Union representatives.

- 23.14 **STEP FOUR:** Within ten (10) working days of his/her/heir selection, unless otherwise agreed, the Arbitrator shall hold a hearing. The hearing shall not be public. The Arbitrator shall afford the Union and the Employer liberal rights to present evidence, exhibitory, documentary (including affidavits) and by witnesses, and to examine and cross-examine witnesses. The Union and

Employer may be represented as individually desired and each may have a reporter with or without a recorder. Upon the Arbitrator's or Union's request or Employer's desire, and when practicable, the Employer shall make employees available as witnesses. All employee witnesses shall be free of restraint, interference, coercion, discrimination, or reprisal and, in wages, shall be kept whole. The Arbitrator's jurisdiction shall endure to final decision, except as herein otherwise provided.

- 23.15 **STEP FIVE:** At the conclusion of the hearing(s), an oral decision may be rendered. Within ten (10) working days of the termination of the hearing(s) the Arbitrator shall render his/her final typewritten decision which shall be dated and which shall include orderly and concise Findings of Fact. Copies of the final decision shall, in duplicate, be furnished the Union and Employer and the original shall be delivered to the Union for filing and preservation.

The Arbitrator shall have power to and may, from time to time, provide reasonable continuances and postponements of the hearing(s) as deemed appropriate or as agreed by the Union and Employer.

- 23.16 Fee for Arbitrator shall be shared equally by the Union and Employer. If the Union and Employer agree that a shorthand, stenotype or other reporter should take the proceedings, the costs incidental thereto shall be shared equally and each shall have access to the record. If the Union or Employer provide their own separate means for recording the proceedings such shall not, as a matter of right, be available to the other. Except as provided for in Sections 2223.10 and 22.15, each. Each party will bear its own costs of presenting grievances and/or arbitrations under this agreement, including attorney fees.
- 23.17 In the event of death or other disqualification or unavailability of the Arbitrator, a replacement may be made consistent with initial Arbitrator appointment provisions and, in such event, no fee shall be due the displaced Arbitrator.
- 23.18 Arbitrators agree, by accepting the position of Arbitrator, to abide and be bound by the provisions of this Article.
- 23.19 Time Limit Extension. The time limits specified in Section 23 may be extended by mutual agreement between the Employer and the Union.

#### **SECTION 24-EXPEDITED ARBITRATION**

- 24.01 Scope - The CompanyPort and the Union may mutually agree that in lieu of the procedures outlined in Section 2223 of this Agreement, the parties may elect to arbitrate any grievance through the expedited arbitration procedure set forth in this Section.
- 24.02 Arbitrator Selection Procedure - A neutral arbitrator shall be selected by mutual agreement, If the agreed upon arbitrator cannot hear the case within twenty (20) working days, the case will be assigned to the arbitrator who can hear the case on the earliest date.

24.03 Hearing Procedures

- (a) The CompanyPort and the Union agree to provide each other with any relevant and requested information.
- (b) No attorneys shall be allowed to be present at the hearing unless they are called as a witness.
- (c) Each party will be limited to a maximum of two hours of presentation time. This includes an opening statement, direct, cross-examination, redirect and recross of witnesses, and any summation or oral argument.
- (d) No written briefs may be filed.
- (e) No transcripts will be taken.
- (f) The hearing shall be conducted without formal rules of evidence.

#### 24.04 Decision and Effect

- (a) Decisions will be rendered by the arbitrator at the close of the hearing if possible, but in any event no later than five working days after the close of the hearing, unless otherwise agreed to.
- (b) All decisions of the arbitrator will be final and binding, as if they had been heard and decided under the arbitration procedure specified in Section 2223. Fee for Arbitrator shall be shared equally by the Union and Employer.

### **SECTION 25 - NATIONAL EMERGENCIES**

- 25.01 In the event of war, declaration of emergency, imposition of civilian wage controls by the U.S. Government during the life of this Agreement, either party may reopen the same upon thirty (30) days' written notice and request renegotiation of matters dealing with wages and hours.
- 25.02 If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law.

### **SECTION 26 - NO STRIKES OR PICKETING**

In recognition of the Port's status as a municipal corporation, there shall be no strikes, lockouts, picketing, work stoppages or similar activities to impede Port operations.

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## **SECTION 27 - SAVINGS CLAUSE**

- 27.01 Should any Article or provision of this Agreement or Letter(s) of Understanding be rendered invalid or compliance therewith restrained, the application of other Articles or provisions shall not be affected thereby.
- |27.02 In such event, the parties shall enter into immediate negotiations seeking a mutually satisfactory replacement.

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## **SECTION 28 – EXAMINATIONS**

- |28.01 All costs of employee examination(s) required by any governmental act, regulation or agency shall be paid by the Employer and employee(s) shall be compensated at straight-time for all time thereby consumed.
- 28.02 The Employer may select a physician. If the employee chooses to go to a physician other than the physician selected by the Employer, the Employer will pay no more than is required by physician selected by Employer. Time off will also be paid based on such time off that would be required if employee went to the physician selected by the employer.

## **SECTION 29 - DEFERRED COMPENSATION**

As provided below in this article, regular 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.

## **SECTION 30 - LEAVE OF ABSENCE**

- 30.01 **Leave of Absence Up to Thirty (30) Days** - Employees may be granted a personal leave of absence without pay not to exceed thirty (30) days provided that no leave of absence be granted for the purpose of obtaining other employment. Each request will be considered on its own merits. The factors to be considered by Management shall include: the length of the requested leave, the employee's length of service, and the effects of such a leave on operational efficiency.
- |30.02. **Extended Leave of Absence** - A seniority employee may receive one (1) six month personal leave of absence without pay within each five (5) year period of employment. The total number of seniority employees granted such leave of absence during any six (6) month period shall be limited to two (2) employees. Each request will be considered on its own merits. The factors to be considered by Management shall include: the length of the requested leave, the employee's length of service, and the effects of such a leave on operational efficiency.

30.03- **Application for Leave** - An employee shall submit a request for leave of absence on an authorized Port form. To show that approval is granted, leave of absence requests must be signed by an appropriate Manager. The Manager shall provide a copy of the approved form to the employee and the Union.

30.04- Employees will have return employment rights following a six (6) month leave of absence at the current rate of pay. However, if a reduction in force should occur during the period of leave, the returning employee would be subject to the action that would have taken place if the employee had remained at work.

30.05 **Seniority Status on Leave** - An employee returning from an unpaid leave of absence shall suffer no loss in seniority.

Leaves of absences for periods greater than those outlined above may be granted to employees who are unable to work due to documented medical reasons. Nothing in this section is intended to limit an employee's opportunities for leave as provided by the Family Medical Leave Act [or the American With Disabilities Act.](#)

30.06 **Paid Family Leave**. The Port shall have full discretion on meeting the requirements of the Washington Paid Family and Medical Leave Act (e.g. State plan, voluntary plan), which shall not be subject to the grievance procedure or to any other provision of this Agreement or to negotiation by the Union. The Port agrees to provide advance notice of how the Port intends to comply, and when and if there are any changes to the Union as soon as possible. Regardless of the plan selected by the Port, employees shall not be required to contribute more than the law will allow.

30.07 **Paid Parental Leave**. The Port shall continue to provide Paid Parental Leave to members of this bargaining unit. Eligibility, participation, and terms of the Paid Parental Leave shall be provided to the bargaining unit members as outlined in Port policy HR-5. The Port may change or modify its Paid Parental Leave policy and/or procedures. If the Port desires a change/modification the Port agrees to provide the Union with advance written notice. In the event a bargaining unit member made application for Paid Parental Leave prior to the written notice of change/modification and said change/modification was to eliminate or shorten Paid Parental Leave, said employee will be allowed Paid Parental Leave in existence at the time of their application.

## **SECTION 31 – LABOR MANAGEMENT COMMITTEE**

At the request of either the Port or the Union, the other party agrees to meet on an informal basis outside of the grievance procedure to discuss issues of mutual concern including but not limited to: implementation of new projects, new equipment, and questions of interpretation and administration of this agreement. Any understandings or agreements reached as a result of such meetings shall be reduced to writing and signed on behalf of the Port the Union or such understandings shall be null and void.

## **SECTION 32 - PERMANENT REDUCTION IN FORCE**

### **32.01 Notice and Meeting**

1. When a permanent reduction in work force is anticipated, the Port shall inform the Union in writing and shall meet and discuss the impact of the anticipated reduction in work force.
2. The Port shall provide detailed information to the Union as to the nature of these changes and shall make its best effort in estimating the number of seniority positions that will be permanently reduced.
3. The Port shall consider in good faith all proposals by the Union to mitigate the impact of the anticipated reduction in work force, including but not limited to alternative configurations and/or more efficient utilization of existing bargaining unit employees, and the placement of affected employees in other positions at the Port outside of the bargaining unit.
4. All seniority employees have the right to volunteer to surrender their seniority rights and accept the severance benefits provided under the article if it is determined that permanent reductions will occur. If more volunteers request severance than there are permanent reductions, the most senior employee will have preference in exercising this option. If there are more permanent reductions than volunteers requesting severance, the least senior employees will be laid off first.

### **| 32.02 Options for Seniority Employees**

Employees subject to layoff will be provided 30 calendar days' notice. During this time, employees will be provided benefits' counseling from the Port's Human Resources Department. Upon completion of the notice period, employees subject to layoff shall select in writing, on a form provided by the Port, one of the following options:

**Option A:** Seniority shall be broken by layoff of thirty-six (36) months or the term of this agreement whichever is longer. Any recall as a truck driver with the Port shall serve to reactivate seniority rights and seniority shall be retained for an additional thirty-six (36) months or the term of this agreement whichever is longer.

Regular employees being offered recall from layoff will be notified by registered letter, return receipt requested, addressed to his/her/their last known address on file with the employer with a copy sent to the local union. (It shall be incumbent on employees to notify their department manager in writing, return receipt requested of any change of address.) If a regular employee has been laid off for thirty-one (31) consecutive days or more, he/she/they shall be covered under Article 6.05. Regular employees laid off of thirty-one (31) consecutive days or more who reside outside of the state of Washington shall be permitted up to ten (10) calendar days to report to work. Upon receipt of the re-call notice, the employee must notify

the employer within seventy-two (72) hours to their intention and date to report to work. This does not apply to day to day layoffs covered under Article 6.04

- (a) If the employee intends to return to work, the employee must report as directed.
- (b) If the recall is refused or if the laid off employee cannot be contacted after a documented attempt to reach the employee, that employee forfeits all recall and seniority rights.

**Option B:** Surrender all seniority rights, including the right to recall. Receive severance pay in the amount of one week of regular pay (i.e. 40 hours at the employee's straight time rate, excluding shift differential) for each year of seniority. Employees with less than one year of seniority shall receive one week of regular pay as their severance pay. Receive one additional month's health & welfare premium payment beyond the month in which the employee is qualified.

The parties agree that upon a permanent reduction in force, employees will also be compensated for unpaid wages, unused vacation hours, accrued vacation hours, and unused sick leave hours in accordance with Section 4516.02. The provisions of the existing labor agreement shall apply to wage levels and payment of fringe benefit contribution on compensation paid for the above mentioned items. (For purposes of pension contributions, all accrued sick leave hours shall be considered as compensated hours.)

Contributions shall be remitted to the Western Conference of Teamsters Pension Trust on the severance compensation in according with the existing labor agreement. The quarterly maximum with regard to Pension Contributions shall not be in effect for purposes of the Agreement.

Assistance will be provided in seeking other suitable employment for up to six months after being subject to a permanent reduction in force. This outplacement assistance may be provided by either the Port's Human Resources staff or by retained consultants, at the Port's discretion.

### 32.03

#### Other Layoffs & Closure

- (a) If a seniority employee has been on layoff continuously for 180 days, that employee will be offered Option B (above), even if there has been no formal designation of the employee's layoff as a permanent reduction in force, provided the seniority employee is available for assignments if recalled unless the employee receives a written excuse an authorization from the director of operations or designee.

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### SECTION 33 – EMPLOYEE DEVELOPMENT AND EDUCATION OPPORTUNITIES

- 33.01 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.

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

33.03 The Parties understand that the Employee Development and Education Opportunities identified in Article 33 shall not be subject to bargain and are subject to revision by the Port. **Formatted:** Indent: Hanging: 0.5"

33.04 The Port recognizes its obligation to negotiate with the Union if the operation is closed in its entirety. **Formatted:** Body Text 2, Indent: Left: 0", First line: 0"

**SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,  
2019 SECTION 34 – COMMUTER BENEFITS**

All Regular 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 have full and exclusive discretion to administer, change, amend, modify and/or discontinue either and/or both the ORCA program and the Ferry Reimbursement benefit.

### **SECTION 35 –PAYROLL**

Pay shall be distributed on a biweekly basis consistent with the payroll procedures for non-represented employees. As a condition of employment, all employees are required to participate in the Port’s direct deposit program for payroll purposes.

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 disposable earnings in a pay period, other than the final pay period; or the amount still outstanding from the employee's disposable earnings in the final pay period. Deductions from wages shall continue until the overpayment if fully recouped.

Nothing in this article precludes the employee from agreeing to a larger deduction.

THE PORT OF SEATTLE

GENERAL TEAMSTERS LOCAL NO. 174  
Affiliated with the  
INTERNATIONAL BROTHERHOOD OF  
TEAMSTERS

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Stephen P. Metruck  
Executive Director

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Rick Hicks  
Secretary-Treasurer

## **Attachment A**

### **RCW 49.46.210**

**Paid Sick Leave    Authorized purposes    Limitations    "Family member" defined.**

(1) Beginning January 1, 2018, every employer shall provide each of its employees paid Sick Leave as follows:

(a) An employee shall accrue at least one hour of paid Sick Leave for every forty hours worked as an employee. An employer may provide paid Sick Leave in advance of accrual provided that such front loading meets or exceeds the requirements of this section for accrual, use, and carryover of paid Sick Leave.

(b) An employee is authorized to use paid Sick Leave for the following reasons:

(i) An absence resulting from an employee's mental or physical illness, injury, or health condition; to accommodate the employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's need for preventive medical care;

(ii) To allow the employee to provide care for a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a family member who needs preventive medical care; and

(iii) When the employee's place of business has been closed by order of a public official for any health-related reason, or when an employee's child's school or place of care has been closed for such a reason.

(c) An employee is authorized to use paid Sick Leave for absences that qualify for leave under the domestic violence leave act, chapter 49.76 RCW.

(d) An employee is entitled to use accrued paid Sick Leave beginning on the ninetieth calendar day after the commencement of his or her employment.

(e) Employers are not prevented from providing more generous paid Sick Leave policies or permitting use of paid Sick Leave for additional purposes.

(f) An employer may require employees to give reasonable notice of an absence from work, so long as such notice does not interfere with an employee's lawful use of paid Sick Leave.

(g) For absences exceeding three days, an employer may require verification that an employee's use of paid Sick Leave is for an authorized purpose. If an employer requires verification, verification must be provided to the employer within a reasonable time period during or after the leave. An employer's requirements for verification may not result in an unreasonable burden or expense on the employee and may not exceed privacy or verification requirements otherwise established by law.

(h) An employer may not require, as a condition of an employee taking paid Sick Leave, that the employee search for or find a replacement worker to cover the hours during which the employee is on paid Sick Leave.

(i) For each hour of paid Sick Leave used, an employee shall be paid the greater of the minimum hourly wage rate established in this chapter or his or her normal hourly compensation. The employer is responsible for providing regular notification to employees about the amount of paid Sick Leave available to the employee.

(j) Unused paid Sick Leave carries over to the following year, except that an employer is not required to allow an employee to carry over paid Sick Leave in excess of forty hours.

(k) This section does not require an employer to provide financial or other reimbursement for accrued and unused paid Sick Leave to any employee upon the employee's termination, resignation, retirement, or other separation from employment. When there is a separation from employment and the employee is rehired within twelve months of separation by the same employer, whether at the same or a different business location of the employer, previously accrued unused paid Sick Leave shall be reinstated and the previous period of employment shall be counted for purposes of determining the employee's eligibility to use paid Sick Leave under subsection (1)(d) of this section.

(l) For purposes of this section, "family member" means any of the following:

(a) A child, including a biological, adopted, or foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status;

(b) A biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child;

(c) A spouse;

(d) A registered domestic partner;

(e) A grandparent;

(f) A grandchild; or

(g) A sibling.

(3) An employer may not adopt or enforce any policy that counts the use of paid Sick Leave time as an absence that may lead to or result in discipline against the employee.

(4) An employer may not discriminate or retaliate against an employee for his or her exercise of any rights under this chapter including the use of paid Sick Leave.

[2017 c 2 § 5 (Initiative Measure No. 1433, approved November 8, 2016).]

## **Non-Exempt (Hourly) Employee\* Port of Seattle Paid Sick Leave Notification**

You are entitled to paid Sick Leave protections beginning January 1, 2018. One (1) hour of paid leave for every 40 hours you work be entitled to protections outlined in the attached law. Please note this is not an additional leave bank.

You may use this accrued leave for the following reasons in addition to any other reason that may be outlined in your collective bargaining agreement:

- To care for yourself or a family member (please refer to RCW 49.46.210(2) for a full list of the eligible family members.)
- When you or a family member is the victim of sexual assault, domestic violence, or stalking.
- In the event our business or your child's school or place of care is closed by a public official for any health related reason.

Leave protections for up to 40 hours of unused, accrued paid leave will be carried over to the next calendar year. In addition, leave accrual, carry over and cash out provisions outlined in your collective bargaining agreement continue to apply.

You may use accrued protected leave beginning 90 calendar days after the start of your employment or as provided in your collective bargaining agreement, whichever is earlier.

Retaliation for using protected leave for authorized purposes is prohibited.

\*Please note these protections extend only to employees covered by Washington's minimum wage law.

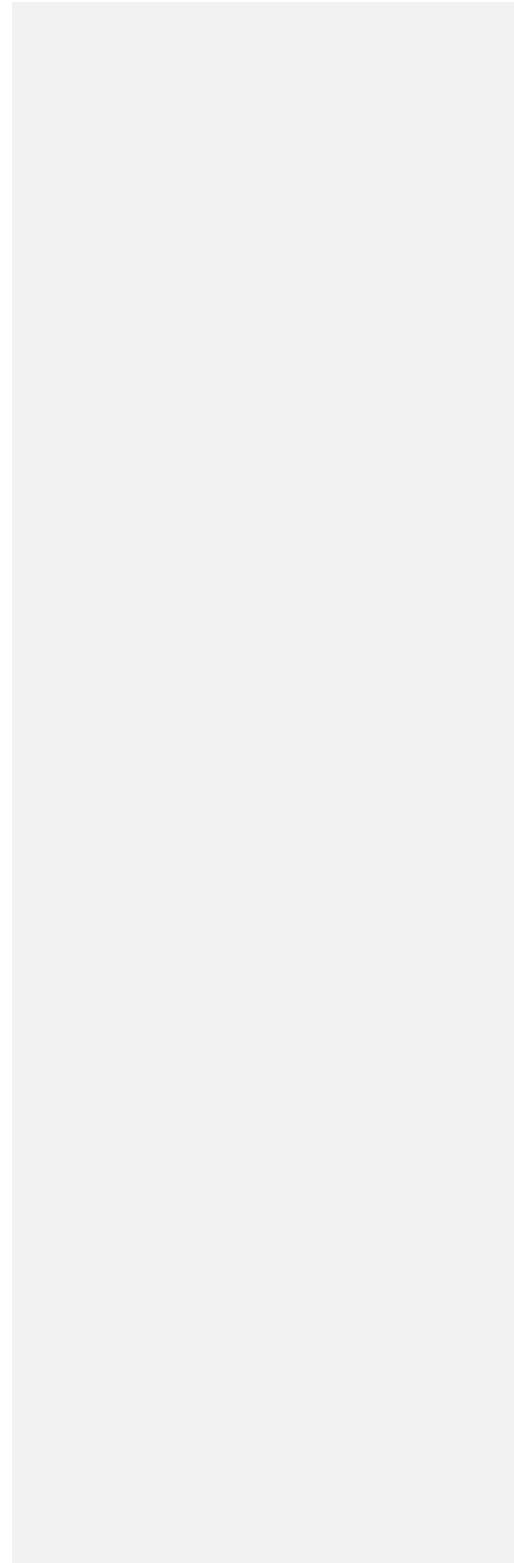
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Date:

Date:

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## APPENDIX A

Grandfathered 40 hour employees under 19.01

NAME \_\_\_\_\_

Todd Sullivan  
Laeva Sole  
Ray Goodwin  
Chris Geltz

Jesse Laird  
Otto Goettel, Jr.  
Patrick Urlacher  
Mark Bodine

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**ADDENDUM TO THE AGREEMENT**

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**Between**

**GENERAL TEAMSTERS LOCAL UNION NO. 174**

**And**

**PORT OF SEATTLE**

**Regarding**

**POS PORT CONSTRUCTION SERVICES**

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The following is intended to recognize and address the unique nature of the work performed by Port Construction Services. Any items related to wages, terms and conditions of employment not specifically abridged by this Addendum shall be covered by the Port of Seattle Mutual Labor Agreement.

**1. PCS Assignments**

Employees will be assigned according to their shift bid (Section 7.07) and, as needed by seniority to P.C.S. and will have received the necessary training and security clearance (badge) to perform the duties required by P.C.S.

**2. Overtime**

Pre or post – shift overtime that is an extension of the normal workday will be assigned to the PCS Driver. Provided they are qualified, Overtime on weekends and holidays will be made available to the bargaining unit according to seniority. If no senior employee volunteers, the junior PCS assigned driver shall perform the task.

**3. Contracting and Sub-Contracting**

Trucking Work that is being performed by PCS Teamsters will only be sub-contracted if no bargaining unit employees are on lay-off or if PCS does not have available necessary equipment (or opportunity to lease equipment) or if conditions are such that only a sub-contractor can do the work (because of equipment, volume, time constraints, certification/expertise/liability, etc.) In the case of a violation of this provision then an equivalent number of laid off seniority or probationary employees will be called back on work on other assignments or paid equivalent hours.

If the number of contracted employees exceeds the number of seniority or probationary employees, the remaining equivalents will be credited as hours worked for the probationary employee with the most hours.

#### **4. Job Classification – Rates**

Section 19 of the collective bargaining agreement identifies historical classifications. For PCS these classifications include; Dump Truck, Heavy Haul, Belly Dump, Tractor pulled Flatbed, Water Truck, Vendor pickup, subject to Section 6 of this addendum.

PCS Management agrees to discuss jurisdiction with the union when new vehicle//equipment is purchased.

#### **5. General Foreman**

- (a) During the term of this agreement, at the discretion of the Port, a regular seniority assigned PCS Truck Driver may be designated to act in the capacity of General Foreman at PCS. The General Foreman assignment, selection, and/or work jurisdiction is temporary in nature, subject to the operational needs of Port Construction Services.
- (b) An employee assigned by Port management to the duties of General Foreman, shall receive 9% above the Truck Driver Crew Chief wage rate for all hours worked in the capacity of General Foreman.
- (c) Whenever such assignment is made, the assigned employee shall remain a member of the Union and shall be covered by all other terms of the Collective Bargaining Agreement.
- (d) When an employee is assigned as a General Foreman, the employee shall not be entitled to utilize his seniority for scheduling and overtime purposes as a Truck Driver.

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#### **6. Liaison - Participation**

Upon ratification of this agreement the parties agree that a member of the bargaining unit will be selected by the union to be a “Liaison” between PCS and the union. The Liaison will attend all Foreman meetings where information related to transportation issues or for upcoming or potential PCS projects will be shared and given the opportunity for discussion and provide input prior to decision making.

#### **7. Jurisdiction**

The parties agree to the following jurisdictional principles for operations at PCS:

“Craft-assist” – It is agreed that employees will primarily be assigned to bargaining unit work. The Union recognizes the concept of “craft-assist” to most fully utilize resources and agrees that bargaining unit employees will perform the work as assigned.

## **8. PCS Shift Premium**

When it becomes necessary for PCS to have common starting and quitting times with other Crafts on a particular job which involves bargaining Unit personnel on a composite crew, the following will apply:

### Five/Eights (5/8s) work shift:

Second shift premium shall be eight (8) hours pay for seven and one half ( $7\frac{1}{2}$ ) hours work. It is agreed that to provide flexibility, starting time for second shift may commence before 6:00 p.m. but no sooner than 2:00 p.m.

Third shift premium shall be eight (8) hours pay for seven (7) hours work. It is agreed that to provide flexibility, starting time for third shift may commence before 11:00 p.m. but no sooner than 7:30 p.m.

### Four tens (4/10s) work shift:

Second shift premium shall be ten (10) hours pay for nine and one fourth ( $9\frac{1}{4}$ ) hours work. It is agreed that to provide flexibility, starting time for second shift may commence before 6:00 p.m. but no sooner than 2:00 p.m.

Third shift premium shall be ten (10) hours pay for eight and three fourths ( $8\frac{3}{4}$ ) hours work. It is agreed that to provide flexibility, starting time for third shift may commence before 11:00 p.m. but no sooner than 7:30 p.m.

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## **9. Water Truck**

The parties recognize Local 174 as having primary jurisdiction over driving the Water Truck. Moving the water truck on public roads will be the jurisdiction of said bargaining unit. However if a Local 174 member is not available in a timely manner to be on the jobsite, someone outside the bargaining unit may drive the Water Truck on site. It may be necessary to cross a public road when someone outside the bargaining unit is moving the water truck on the job site

## **10. Vendor Pick Up**

Vendor pick-ups shall be the jurisdiction of the employees employed under this agreement. When it is necessary to expedite parts, PCS management will look to the bargaining unit first. If no

bargaining unit member is available in a timely manner, expediting may be assigned to PCS personnel.

## **11. Work Assignment**

The parties agree jurisdictional assignments are an act of judgment based on common sense, experience, collective bargaining agreements, employer preference, past practice, area practice, relative skills, economy and efficiency of operations and job impact. It is the intention of the parties to resolve conflicts based on this framework as referenced in NLRB decision 323 No.173 Laborers' International Union of North America, Local 435 and Spinello Construction Company, Inc and International Brotherhood of Teamsters, Local Union No. 398. Case 3-CD-626 and International Operating Engineers Local 150 and R&D Thiel, a Division of Carpenter Contractors of America Inc. International Brotherhood of Teamsters Local 325 and R&D Thiel, a Division of Carpenters Contractors of America Inc. Cases 33-CD-444 and 33-CD-445.

With this in mind it is the intention of the parties to bring teamwork to the multiple crafts at the shop, achieve growth for all crafts, acquire new and better projects, improved methods of communication and live peacefully in a multi-craft environment.

## LETTER OF UNDERSTANDING

The Parties agree, that during the term of this agreement:

1. The following Sub-Sections shall not apply, and shall not be considered the status quo:

21.02 EFFECTIVE UPON RATIFICATION, the bargaining unit shall have the ability to divert wages to pension. All pension payments shall be made in accordance with Western Conference of Teamsters Pension Trust rules.

21.03 EFFECTIVE JUNE 1<sup>st</sup> of each contract year, the bargaining unit shall have the ability to divert wages to pension. The union shall provide the Port a minimum sixty (60) days advance written notice of such diversion. All pension payments shall be made in accordance with Western Conference of Teamsters Pension Trust rules.

2. ~~On the first of the month following the execution of this Agreement, employees shall be granted 3 additional employee designated floating holidays for the year 2019 only.~~
3. ~~The Union will withdraw all current open grievances related to jurisdictional issues without prejudice.~~
4. ~~Should the Union elect to amend Section 20.01 (B) Retiree's Health & Welfare Plan, to switch from Plan "RWT Plus" to a different plan, the Parties agree to meet to negotiate the transition provided the following conditions apply:~~
- ~~a. The employees shall be responsible for paying the difference in cost;~~
- ~~b. The new Plan does not cost the employer any additional money;~~
- ~~c. The new Plan has no additional liability to the employer;~~
- ~~d. It is legal for the employer to participate;~~
- ~~e. The employer is provided a reasonable period of time to facilitate the transition.~~

PORT OF SEATTLE

Stephen P. Metruck  
Executive Director

GENERAL TEAMSTERS LOCAL NO. 174

Affiliated with the  
INTERNATIONAL BROTHERHOOD OF  
TEAMSTERS

Rick Hicks  
Secretary Treasurer

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

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

**MEMORANDUM OF UNDERSTANDING—COVID 19 VACCINE POLICY**

By and between

PORT OF SEATTLE

And

GENERAL TEAMSTERS LOCAL UNION NO. 174

Affiliated with the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

The following Memorandum of Understanding (“MOU”) is entered between the Port of Seattle (“Port”) and the GENERAL TEAMSTERS LOCAL UNION NO. 174 Affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, 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’s 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) Compliance with the Port’s Vaccine Policy, HR-34, is a condition of employment;
- 2) Employees shall be subject to separation of employment if they do not comply with the Port’s Vaccine Policy, HR-34;
- 3) Employee’s are subject to the vaccine validation process stated in HR-34;
- 4) Employees shall be entitled to request an exemption for accommodation in accordance with the terms of HR-34;
- 5) 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;
- 6) Employees shall be entitled to receive the COVID-19 incentive day as described in HR-34 based upon the same terms as non-represented employees;
- 7) Employees may use up to one shift (e.g. 8 hours) 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;

- 8) Upon request by either party, the parties agree to meet within thirty (30) days of any announcement that booster shots will become a requirement as a condition of employment, and bargain the effects in good faith to achieve alignment with the objectives of HR-34;
- 9) 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.

PORT OF SEATTLE

GENERAL TEAMSTERS LOCAL NO. 174  
Affiliated with the  
INTERNATIONAL BROTHERHOOD OF  
TEAMSTERS

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Stephen P. Metruck  
Executive Director

Rick Hicks  
Secretary Treasurer

Date:

Date:

**COMMISSION****AGENDA MEMORANDUM****ACTION ITEM**Item No. 8cDate of Meeting October 25, 2022**DATE :** September 7, 2022**TO:** Stephen P. Metruck, Executive Director**FROM:** Megan King, Interim Senior Manager, Aviation Environment & Sustainability  
Sarah Cox, Director Aviation Environment & Sustainability**SUBJECT: Former United Continental Tank Farm Site Funding and Agreement Amendment for Site Closure****Amount of this request:** \$78,505 (included in ERL Forecast)**Total estimated Port cost to date:** \$639,576**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a Sixth Amendment to the Participation Agreement (Amendment) for Cleanup of Sea-Tac International Airport Jet Fuel Facility executed in November 1995 between the Port, United Airlines, Continental Airlines, and Olympic Pipeline Company (Participants).

**EXECUTIVE SUMMARY**

The Former United/Continental Fuel Farm Site (Site) is located south of the Fire Station on Air Cargo Road near gate E-100. Subsurface jet fuel contamination was encountered at the Site during closure of the tank farms in the 1990s. Following identification of contamination, the parties (United as the lead responsible party, Continental which is now also United, Olympic Pipeline, and the Port) entered into a Participation Agreement for investigation and remediation of the Site.

Remedial activities at the Site are complete, and the parties agree that independent closure, as allowed by the Model Toxics Control Act, is the best path forward.

This Participation Agreement Amendment adds funds to the project escrow account to cover costs of system decommissioning, and long-term responsibility language for contamination remaining in place at the Site. Work will consist of removal of the remaining treatment system infrastructure including all subsurface piping and monitoring wells and restoration of the Site. The Port's 21% share of remedial costs (share percentages were determined in the original Participation Agreement) for this Amendment will be \$78,505. No ongoing monitoring or actions are anticipated following completion of Site closure activities.

Meeting Date: October 25, 2022

**JUSTIFICATION**

Remediation of the Site has removed all recoverable product, and groundwater impacts have reduced in concentration and extent. The Participation Agreement requires decommissioning and removal of the remediation equipment once it is no longer necessary. Additional funding is now required in the project escrow account for system decommissioning and removal, which requires modification to the existing Participation Agreement to cover this issue and address future responsibility for any contamination remaining in place following Site closure.

***Diversity in Contracting***

Not applicable to this request.

**DETAILS**

Investigation and remediation at the Site has been in progress since 1995 and consisted of active in-situ remediation by dual-phase and soil vapor extraction processes. The remediation successfully removed recoverable product from the subsurface, and in 2017 the remediation system was shutdown. After some monitoring was conducted, the Site was enrolled in Ecology's Voluntary Cleanup Program and a No Further Action opinion was requested from the Department of Ecology in March 2019. In 2021, additional data were collected. These data confirmed that the product remaining in the subsurface is not transmissive (doesn't move) and therefore cannot be recovered, and the groundwater data confirmed that the concentrations and extent of contamination remaining in groundwater beneath the site are decreasing due to natural attenuation.

Ecology has communicated that it does not need the Participants to undertake further action at the Site. Accordingly, in early August, the Participants submitted a letter to Ecology formally removing the Site from Ecology's Voluntary Cleanup Program. The letter notifies Ecology that Site cleanup has been conducted as an Independent Cleanup Action, as allowed by the Washington state Model Toxics Control Act. This letter also describes how the Port will implement Institutional Controls at the property for future protection of human health and the environment that consist of:

- maintaining the Site as zoned for Airport Operational uses
- restricting access to the area through maintenance of the existing facility fencing and signage
- controlling future contact with remaining contamination during actions that disturb the subsurface through implementation of the Port's Rules for Airport Construction, and
- restricting groundwater extraction at the Site.

***Scope of Work***

Site Closure Activities funded by Amendment 6 will consist of:

- (1) Removal of remediation system and supporting infrastructure

Meeting Date: October 25, 2022

- (2) In-place decommissioning of the groundwater monitoring well network
- (3) Removal of Tank Farm infrastructure components left in place during decommissioning due to the presence of contamination (concrete and sheetpile wall segments).

***Schedule***

On authorization, work will be scheduled as soon as possible, with the goal of completing work before Summer 2023.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

The following alternatives were considered:

**Alternative 1** – Partial removal of remediation system infrastructure by other construction teams as part of future capital projects in the area of the Site.

Cost Implications: \$78,000+ plus additional Port effort for removal, coordination, and cost recovery

Pros:

- (1) Does not require a separate mobilization for removal of the treatment system infrastructure.
- (2) Allows for removal of only system components that conflict with previously approved future development actions.

Cons:

- (1) Places burden of system removal on capital project teams to estimate, track and conduct.
- (2) Capital project contractors may not have specialized skills or equipment to remove the remediation system infrastructure and introduces unnecessary complexity to capital development efforts.
- (3) Requires separation and cost tracking of remediation system removal by the capital projects, and cost recovery following completion.

This is not the recommended alternative.

**Alternative 2** – Hire specialized contractor to completely remove the remediation system infrastructure ahead of any capital projects in the vicinity of the Site, in accordance with the existing participation agreement.

Cost Implications:

Pros:

- (1) Completes remediation requirements scoped in the Participation Agreement.
- (2) Allows for costs to be split between the remediation parties according to the established percentages.
- (3) Does not require cost recovery following completion.

Meeting Date: October 25, 2022

Cons:

- (1) No limitations identified for this alternative.

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

**FINANCIAL IMPLICATIONS**

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

This work will be funded by a project escrow account setup by the Participants. The Port's share of costs will be deposited to the escrow account from ERL funds. No additional costs are anticipated for this Site.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides
- (2) Draft Sixth Amendment

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

July 2014 – The Commission authorized execution of the Fifth Amendment to the Participation Agreement

2013 – The Commission authorized execution of the First Addendum to the Fourth Amendment to the Participation Agreement

March 2009 – The Commission authorized execution of the Fourth Amendment to the Participation Agreement

August 2001 – The Commission authorized execution of the Third Amendment to the Participation Agreement

January 1997 – The Commission authorized execution of the Second Amendment to the Participation Agreement

1996 – The Commission authorized execution of the First Amendment to the Participation Agreement

1995 – The Commission authorized execution of the Original Participation Agreement

**SIXTH ADDENDUM TO PARTICIPATION AGREEMENT FOR CLEANUP OF  
SEA-TAC INTERNATIONAL AIRPORT JET FUEL FACILITY**

THIS SIXTH ADDENDUM TO THE PARTICIPATION AGREEMENT FOR CLEANUP OF SEA-TAC INTERNATIONAL AIRPORT JET FUEL FACILITY ("Sixth Addendum") is made effective \_\_\_\_\_, 2022, by and among OLYMPIC PIPE LINE COMPANY ("Olympic"), THE PORT OF SEATTLE ("Port") and UNITED AIRLINES, INC. ("United") (hereinafter referred to as the "Participants" collectively and "Participant" individually). It modifies and amends that certain Participation Agreement for Cleanup of Sea-Tac International Airport Jet Fuel Facility by and among Participants dated November 7, 1995 (hereinafter the "Participation Agreement") and the Fifth Addendum to the Participation Agreement for cleanup of Sea-Tac International Airport Jet Fuel Facility by and among Participants effective on or about August 5, 2014 ("Fifth Addendum").

WHEREAS, the Participation Agreement continues in full force and effect, as expressly revised by amendment to the Fifth Addendum, and the Fifth Addendum (as amended in the First Amendment to the Fifth Addendum) also continues in full force and effect, except as expressly revised in this Sixth Addendum;

WHEREAS, capitalized terms used in this Sixth Addendum but not defined or incorporated herein shall have the meanings set forth for such terms in the Participation Agreement.

WHEREAS, this Sixth Addendum, the Fifth Addendum, the Fourth Addendum, the First Amendment to the Fourth Addendum, the Participation Agreement and the Escrow Agreement together may be referred to as "the Agreements;"

WHEREAS, at the direction of the Participants, SLR is continuing to negotiate with the Washington Department of Ecology ("DOE") in an effort to obtain a No Further Action ("NFA") determination by DOE, consistent with the Agreements and the applicable provisions of the Washington Model Toxics Control Act ("MTCA"); and

WHEREAS, SLR International Corporation ("SLR") by letter dated June 22, 2022 proposed an additional scope of work to abandon remaining wells, remove former remediation system equipment, remove sheet piling, remove fencing and concrete retaining wall, and remove a light post for an estimated costs of \$369,771 above and beyond shared costs already paid by the Participants ("Additional Shared Costs"); and

WHEREAS, agreement by the Participants to Additional Shared Costs in the amount of \$369,771 requires a Sixth Addendum.

NOW, THEREFORE, in consideration of the mutual promises and representations set forth herein, the Participants, intending to be legally bound, agree as follows:

1. Section 1 of the Participation Agreement, as amended in the Fourth and Fifth Addenda, is further amended by addition of the following subsection 1.6:

1. Participants' Mutual Intent and Purpose.

1.6 In addition to the matters agreed upon in subsections 1.1 through 1.5, the Participants further agree to perform or cause to be performed the Additional Work described in Exhibit A.

2. Section 2 of the Participation Agreement, as amended in the Fourth and Fifth Addenda, is further amended by the substitution of the following language in Section 2.2, and the addition of a new subsection 2.8:

2. Shared Common Costs.

2.2 Procedure for Payments. Each Participant shall pay or shall transfer by wire or automated clearing house (ACH) to the designated escrow account that Participant's "pro rata" share of the Shared Costs as follows:

(a) Not more than thirty (30) days after execution of this Sixth Addendum, each Participant shall pay or transfer to the escrow account established by the Participants, that Participant's "pro rata" share of \$369,771 (including 15% Contingency) which is shown below on Chart I of this Sixth Addendum, and from time to time, its pro rata share of any escrow fees that may be charged periodically to maintain the escrow account.

The amounts (not including escrow fees) that each Participant shall be obligated to transfer to the designated escrow account pursuant to this Amended Agreement shall be as follows:

Chart I

Participant	Amount of Each Participant's Payment Obligation to the Designated Escrow Account
Olympic Pipeline	\$41,414
Port of Seattle	\$78,505
United Airlines, Inc.	\$249,852

- 2.8 **Additional Payments.** The Participants hereby agree to pay Shared Costs of the Remedial Actions, as more specifically provided in this Sixth Addendum and to allocate “pro rata” among themselves all rebates, refunds, disbursements and escrow fees called for or resulting under the Participation Agreement, the Fourth Addendum, the Fifth Addendum or this Sixth Addendum or the Escrow Agreement.
- (a) The Additional Shared Costs of the Remedial Actions under this Addendum are estimated to be \$369,771. Each Participant shall pay its designated amount of the Additional Shared Costs listed herein on Chart I in accordance with the Participation Agreement, the Fourth Addendum, the Fifth Addendum, this Sixth Addendum and the Escrow Agreement; provided, however, that in the event the costs to perform the Remedial Work exceed amounts remaining in the account established by the Escrow Agreement and the Additional Shared Costs (\$369,771), and expenditures greater than that amount are required to achieve the objectives of Exhibit A to this Addendum, a written amendment to this Addendum signed by all Participants shall be required and provided further, that in the event any Participant fails to make its full payment of its designated amount of the Shared Costs, as required by the Agreements, the remaining Participants shall not be required to perform their obligations under the Agreements.
- (b) Performing Participants that pay their designated amount of Additional Shared Costs reserve all rights of action against any defaulting or non-performing Participant(s) for recovery under all applicable statutes or theories of law or equity.
3. **Counterparts.** This Sixth Addendum may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.
4. **Future Remediation Activities.** Remediation has progressed to the extent practicable at the Sea-Tac International Airport Jet Fuel Facility. Residual impacts are understood to not pose a threat to human health and the environment. If in the future, DOE or another regulatory agency requires the Participants to address residual impacts, or if further remediation becomes practicable and the Port requests further remediation to be performed pursuant to an applicable lease obligation, the Participants will fund any necessary remedial activities in accordance with each Participant’s “pro rata” share of the Shared Costs per the existing Participation Agreement and associated addenda.

5. **No Other Changes.** Except as expressly modified by this Sixth Addendum, the Participation Agreement and Fourth and Fifth Addenda shall remain in full force and effect. Notices required hereunder or by the Participation Agreement or Fourth and Fifth Addenda shall be delivered by mail and email to the notice addresses listed below the signature of each Participant executing this Addendum.

To signify consent to and acceptance of this Sixth Addendum, an authorized officer or agent of each party has executed this Sixth Addendum to Participation Agreement for Cleanup of Sea-Tac International Airport Jet Fuel Facility on the year and day first written above.

United:

UNITED AIRLINES, INC.

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

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

Notice Addressees:

United Airlines, Inc.  
518 Connecticut Avenue NW, Suite 500  
Washington, D.C 20006  
Attn: Theresa Fariello  
Senior Vice President  
Government Affairs  
Phone: (202-521-4333)  
Email: Theresa.fariello@united.com

To signify the consent to and acceptance of this Sixth Addendum, an authorized officer or agent of each party has executed this Sixth Addendum to Participation Agreement for Cleanup of Sea-Tac International Airport Jet Fuel Facility on the year and day first written above.

Olympic:

OLYMPIC PIPE LINE COMPANY

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

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

Notice Addressees:

Olympic Pipe Line Company  
c/o BP Remediation Management  
201 Helios Way  
Houston, TX 77079  
Attn: James Schaeffer  
Liability Manager  
Phone: 281-800-7868  
Email: [Jim.Schaeffer@bp.com](mailto:Jim.Schaeffer@bp.com)

To signify the consent to and acceptance of this Sixth Addendum, an authorized officer or agent of each party has executed this Sixth Addendum to Participation Agreement for Cleanup of Sea-Tac International Airport Jet Fuel Facility on the year and day first written above.

The Port:

THE PORT OF SEATTLE

---

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

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

Notice Addressees:

Port of Seattle

Mailing Address:  
P.O. Box 68727  
Seattle, WA 98168

Street Address:  
17801 Pacific Highway South  
Room 6012M  
Seattle, WA 98158

Attn: Megan King, AV Environment & Sustainability  
Phone: (206) 787-4741  
Email: King.M@portseattle.org

**EXHIBIT A: SLR PROPOSAL OF June 22, 2022**

SIXTH ADDENDUM TO PARTICIPATION AGREEMENT FOR CLEANUP OF  
SEA-TAC INTERNATIONAL AIRPORT JET FUEL FACILITY



June 22, 2022

Mr. Ryan Keeler  
United Airlines, Inc.  
233 South Wacker Drive  
11<sup>th</sup> Floor – WHQEN  
Chicago, IL 60606

Mr. David Wandor  
Parsons  
3620 Park 42 Drive  
Sharonville, OH 45241

Ms. Megan King  
Port of Seattle  
P.O. Box 68727  
Seattle, WA 98168

**Re: Revised Proposal for Abandonment of Remaining Wells and Removal of Former Remediation System Equipment, Former Continental-Olympic-United Fuel Farm Area, SeaTac International Airport**

Dear Ryan, Dave, and Megan:

SLR International Corporation (SLR) has prepared this proposed scope of work and cost estimate for removal of the former remediation system equipment and abandonment of the remaining wells and piezometers at the former Continental-Olympic-United fuel farm area (the former fuel farm area). The scope of work is detailed in the following tasks.

**Task 1 – Project Management**

This task includes coordinating field activities with SLR staff, subcontractors, and the Port of Seattle (Port); subcontracting; communications with the Continental-Olympic-United Fuel Facility Environmental Committee (FFEC); and communications with the Washington State Department of Ecology (Ecology).

**Task 2 – Abandon Wells**

There are currently a total of 53 remaining groundwater monitoring wells, piezometers, inactive dual-phase extraction (DPE) wells, and inactive groundwater recovery wells at the former fuel farm area. The wells and piezometers are two to four inches in diameter, except for an inactive recovery well that is 36 inches in diameter, and range in depth from approximately 6.5 to 75 feet below ground surface (bgs). Based on SLR's review of

Ecology's well records, a total of 43 of the wells and piezometers are registered with Ecology and have identification numbers and driller well logs on file.

Holt Services, Inc. (Holt) of Edgewood, Washington, will abandon or decommission the wells and piezometers in accordance with the requirements of the Washington Administrative Code (WAC) 173-360-381. The decommissioning work will be conducted by a licensed well driller (in accordance with the requirements of Chapter 18.104 RCW - The Washington Well Construction Act) under the direction of an SLR geologist. SLR will subcontract and schedule the Port-required traffic control equipment and personnel prior to conducting any of the well abandonment work on or adjacent to roads.

Holt will abandon or decommission the 53 wells according to the following procedures:

- The 43 Ecology-registered wells and piezometers will be abandoned by filling each well casing and screen with hydrated bentonite chips and filling each surface monument or vault with concrete to match the surrounding grade. The monument and vault lids will be disposed off-site.
- The nine 2- and 4-inch-diameter wells that are not registered with Ecology will be decommissioned by removing each well monument or well vault; overdrilling the well by using a limited-access hollow-stem auger drill rig; removing the well casing; backfilling each of the overdrilled well borings with hydrated bentonite chips to a depth of approximately 2 feet bgs; and then backfilling the top 2 feet with concrete.
- The 36-inch-diameter inactive recovery well, which is not registered with Ecology, will be decommissioned by disinfecting the water in the well using chlorine tablets; filling the well with pea gravel to a depth of approximately 2 feet bgs; and then backfilling the top 2 feet with concrete. The portion of the recovery well casing that protrudes above the ground surface will be cut off prior to decommissioning.

The soil cuttings from the overdrilling activities will be temporarily stored at the former fuel farm area in properly labeled 55-gallon drums. SLR will collect a composite sample of the soil in the drums and submit it to Apex Laboratories (Apex) in Tualatin, Oregon, for the analyses required by the disposal facility. The sample analytical results will be used for profiling of the waste. The drums will be hauled off-site by a licensed waste transporter for disposal (as non-hazardous waste) at an Ecology-licensed facility.

### **Task 3 – Remove Former Remediation System Equipment**

Wyser Construction, Inc. (Wyser) of Snohomish, Washington will remove the inactive DPE system equipment, as well as the remaining inactive bioventing and product skimming system equipment. The equipment removal work will be conducted under the direction of an SLR geologist. Prior to decommissioning the DPE system, SLR collect a composite sample of the carbon in the vapor-phase granular activated carbon (GAC) canisters and submit it to Apex

for the analyses required by the disposal facility. The sample analytical results will be used for profiling of the carbon waste. A licensed waste transporter will remove the carbon the canisters and haul it off-site for disposal at an Ecology-licensed facility.

Wyser's scope of work will include the following:

- Disconnect the power supply to the inactive DPE system inside the former Continental Fuel Farm power supply building on the northwest portion of the former Fuel Farm. Wyser will subcontract a licensed electrician for this work.
- Cut off and cap all of the underground utility lines (electrical and sewer) inside of the fenced DPE system enclosure.
- Remove the former DPE system equipment skid and all system components, including the vacuum blowers, knockout tank, oil/separator, product storage tank, carbon vessels, piping manifold, aboveground piping, hoses, conduits, control panel, and emission stack. All of the equipment will be disposed and/or recycled off-site at Ecology-licensed facilities.
- Remove the former bioventing system building and the former system equipment within the building. The building and equipment will be hauled off-site for disposal at an Ecology-licensed facility.
- Remove the chain-link fencing surrounding the former system equipment enclosure and haul it off-site for disposal at an Ecology-licensed facility.
- Remove the fiberglass shelter and the concrete secondary containment pad for the former product skimming system and haul them off-site for disposal at an Ecology-licensed facility.
- Remove the accessible underground DPE system piping from the system enclosure to each DPE point vault, remove the vaults, backfill the vaults with imported, clean gravel fill, backfill the trenches to remove the system piping with the excavated material, and finish the ground surface of each trench to match the surrounding area (either asphalt or topsoil and grass sod). The inaccessible underground system piping located beneath the Air Cargo Road travel lanes will not be removed, but instead will be capped at each end and left in place to minimize any potential impacts to airport operations. The removed piping will be hauled off-site for disposal at an Ecology-licensed facility.
- The vaults for MW-3C and MW-6 will be removed prior to the well abandonment work to allow space for Holt to overdrill those DPE points, which are not registered with Ecology.

In addition to the remediation system equipment removal and disposal work described above, Wyser's scope of work may include the following optional tasks:

- Task 3a - Subcontract a licensed crane operator to remove 200 linear feet of interlocking steel sheet piling in the former Continental Fuel Farm soil excavation area. The sheet piling will be hauled off-site for recycling at an Ecology-licensed facility.
- Task 3b - Remove the fencing and concrete retaining wall from the former Continental Fuel Farm excavation area.
- Task 3c - Remove the light post located inside the remediation system equipment enclosure and haul it off-site for disposal at an Ecology-licensed facility.

#### **Task 4 – Prepare Report**

After completing the work described above, SLR will prepare a letter report that describes the work and presents photographs that document the work. A draft version of the report will be submitted to the FFEC for review. After receiving comments, SLR will finalize the report and submit it to the FFEC.

#### **ESTIMATED COST**

The proposed scope of work will be conducted on a time and materials basis, in accordance with the conditions of the Master Agreement for Environmental Services, dated March 1, 2002, and consistent with the attached Fee Schedule. The total estimated cost to perform Tasks 1 through 4 is \$199,510. The estimated additional costs for the optional tasks under Task 3 are as follows:

- Task 3a: \$105,190
- Task 3b: \$15,100
- Task 3c: \$1,740

In addition to the assumptions described above, the cost estimate assumes that: 1) the well abandonment work will take a total of eight working days to complete; 2) the removal of the remediation system will take a total of 10 working days to complete; 3) all wastes (drill cuttings and granular carbon) will be profiled as non-hazardous; 4) the work will be conducted on weekdays during normal business hours; and 5) if any or all of Tasks 3a through 3c are included, they will be conducted concurrently with the other work under Task 3. A breakdown of the estimated costs is shown in the attached Table. The proposed work will be conducted under Assignment Order No. SEA-05, which currently has the funds (\$20,692 in the project escrow account) to cover a small portion of the cost to conduct the proposed work.

The estimated cost and proposed scope of work are based on information available to SLR at this time. If conditions change, unforeseen circumstances are encountered, or work efforts are redirected, the cost estimate may require modification.

If the scope of work and cost estimate are acceptable, please sign below and authorize additional funding under Assignment Order No. SEA-05. Thank you for the continued opportunity to provide our services on this project. If you have any questions, please call Chris Lee at (206) 218-5981 or Mike Staton at (425) 471-0479.

Sincerely,

**SLR International Corporation**



Christopher Lee, L.G.  
Associate Geologist



Michael D. Staton, L.G.  
Senior Principal Geologist

Attachment: Estimated Budget Table  
2022 Fee Schedule

The proposed scope of work and cost estimate are approved.

**For United Airlines, Inc:**

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Ryan Keeler

**For BP:**

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David Wandor, Parsons

**For Port of Seattle:**

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Megan King

**Table 1**  
**Estimated Budget**  
**Abandonment of Remaining Wells and Removal of Former Remediation System Equipment**  
**Former Continental-Olympic-United Fuel Farm Area**  
**SeaTac International Airport**

Tasks	SLR International Corp			Subcontractor Costs <sup>2</sup>	Total Cost
	Hours	Labor	Direct Costs <sup>1</sup>		
1 Project Management	24	\$4,680	\$0	\$0	\$4,680
2 Abandon Wells	90	\$11,430	\$610	\$74,600	\$86,640
3 Remove Former Remediation System Equipment	117	\$15,080	\$760	\$90,190	\$106,030
4 Prepare Report	12	\$2,160	\$0	\$0	\$2,160
Totals	243	\$33,350	\$1,370	\$164,790	\$199,510
<b>Estimated Project Total \$199,510</b>					
<b>Optional Additional Tasks</b>					
3a Remove Sheet Piling	16	\$2,370	\$80	\$102,740	\$105,190
3b Remove Fencing and Concrete Retaining Wall	8	\$1,190	\$80	\$13,830	\$15,100
3c Remove Light Post	0	\$0	\$0	\$1,740	\$1,740
Totals	24	\$3,560	\$160	\$118,310	\$122,030
<b>Estimated Project Total Including Optional Tasks \$321,540</b>					
Notes:					
<sup>1</sup> Direct costs include mileage, supplies, and field equipment.					
<sup>2</sup> Subcontractor costs include well abandonment, sample analyses, traffic control, waste disposal, and equipment/materials removal. All subcontractor costs include a 5 percent markup.					



**2022 Fee Schedule**  
**Former Continental-Olympic-United Fuel Farm Area**  
**SeaTac International Airport**  
**(Effective March 1, 2022)**

<b>PROFESSIONAL SERVICES</b>	<b>Hourly Rate</b>
Managing Principal	\$255
Principal Geologist, Engineer, Scientist, or Toxicologist	\$225
Senior Geologist, Engineer, Scientist, or Toxicologist	\$190
Associate Geologist, Engineer, Scientist, or Toxicologist	\$165
Project Geologist, Engineer, Scientist, or Toxicologist	\$150
Staff Geologist, Engineer, Scientist, or Toxicologist	\$120
Senior Drafter/CADD Operator	\$115
Word Processor/Clerical	\$105

**PROFESSIONAL SERVICES**

Managing Principal	\$255
Principal Geologist, Engineer, Scientist, or Toxicologist	\$225
Senior Geologist, Engineer, Scientist, or Toxicologist	\$190
Associate Geologist, Engineer, Scientist, or Toxicologist	\$165
Project Geologist, Engineer, Scientist, or Toxicologist	\$150
Staff Geologist, Engineer, Scientist, or Toxicologist	\$120
Senior Drafter/CADD Operator	\$115
Word Processor/Clerical	\$105

**OTHER**

Travel (air, ferry, train, taxi, etc)	at cost
Meals & Lodging	at cost
Outside Services	at cost
Subcontractor Mark-up	cost plus 5%
Mileage	IRS rate

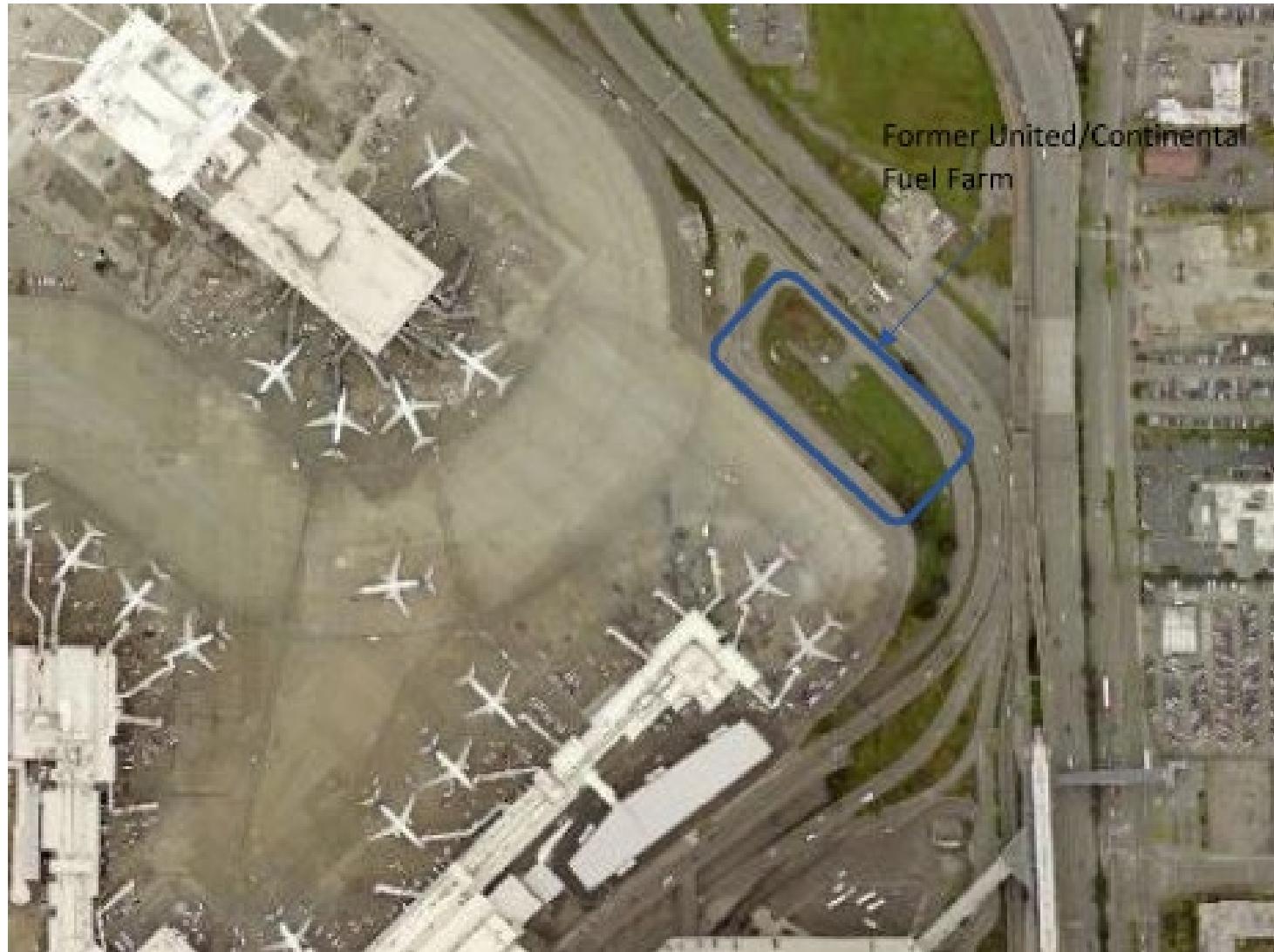
Item No. 8c supp  
Meeting Date: October 25, 2022

# Former United/Continental Tank Farm Site

Funding and Agreement  
Amendment for Site Closure



# Former United Continental Fuel Farm Site Location



# History



- Tank Farm closed in 1990's
- Contamination discovered during closure
- Investigation & remediation initiated in 1995 under a Participation Agreement between United, Continental, Olympic Pipeline & Port
- Remediation successful, ceased in 2017

# Current Request

- Commission authorization for the Executive Director to execute Amendment #6 to the Participation Agreement
- Deposit of \$78,505 to the project escrow account
  - This Port share is 21% of total cost
  - Included in ERL forecast
- Scope of work to be funded by Amendment #6
  - Removal of all remediation system and supporting infrastructure
    - Buildings, tanks, piping, lighting, fences, etc.
  - Decommissioning of all monitoring wells
  - Removal of remnant sheetpile and concrete wall segments from United/Continental Tank Farms

[RETURN TO AGENDA](#)



COMMISSION

AGENDA MEMORANDUM

ACTION ITEM

Item No. 8d

Date of Meeting October 25, 2022

**DATE :** October 18, 2022

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

**FROM:** Eileen Francisco, Director of Aviation Project Management Group  
Eric ffitch, Senior Government Relations Manager

**SUBJECT: Washington State Department of Transportation State Route 509 Completion Project Stage 2 Memorandum of Understanding**

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

**Total estimated project cost:** \$30,050,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute an agreement with the Washington State Department of Transportation (WSDOT) supporting the completion of Stage 2 of the State Route (SR) 509 Completion Project as part of the Puget Sound Gateway Program.

**EXECUTIVE SUMMARY**

The Puget Sound Gateway Program includes two projects: the SR 509 Completion Project in King County and the SR 167 Completion Project in Pierce County. WSDOT is working toward issuing a Request for Proposal for the construction of Stage 2 of the SR 509 Completion Project. Since a portion of project is within the Port of Seattle corporate boundary, a Memorandum of Understanding (MOU) between WSDOT and the Port has been developed establishing framework for coordination throughout the duration of the project. The Port has certain design requirements or requests to be incorporated into the construction of the project, which include property access from South 200th Street, Southern Airport Expressway ("South Access") forward compatibility, signage on South 188th Street, detention pond treatment, landscaping, and maintenance of traffic.

**JUSTIFICATION**

The Port of Seattle and the Northwest Seaport Alliance consider the completion of the Puget Sound Gateway Program to be critical to a vital freight corridor that supports the movement of goods to and from our seaport facilities and our Seattle-Tacoma International Airport. The program provides direct freight links between our facilities and key distribution centers and improves regional mobility for goods that arrive in the Puget Sound from Eastern Washington and states along the US supply chain's northern tier that are bound for international destinations.

Meeting Date: October 25, 2022

In addition to the economic benefits of improved freight mobility, any upgrades to the transportation network in the congested Puget Sound region have significant community benefits as well. Communities in South King County, around the SR 509 corridor, have seen the challenging impacts of passenger and cargo growth through the airport and in the region. Upgrading the transportation network that serves their community, is another important reason the Port supports the Puget Sound Gateway Program.

### **DETAILS**

In 2018 the Port entered into a local funding and phasing MOU with WSDOT and other local agency partners. This MOU identified the Port as one of eighteen local agency partners committed to providing funding commitments supporting the completion of the Puget Sound Gateway Program. The Puget Sound Gateway Program includes two projects: the SR 509 Completion Project in King County and the SR 167 Completion Project in Pierce County.

The SR 509 Completion Project is to be completed in three stages:

- Stage 1a: WSDOT partnered with Sound Transit's Federal Way Link Extension project to build a new SR 99 bridge near South 208th Street and new walls to reduce noise to nearby neighborhoods. The partnership reduces construction impacts by building both projects at the same time. Work is expected to be complete in late 2022.
- Stage 1b: This stage is also called the SR 509/I-5 to 24th Avenue South – New Expressway Project and builds the first mile of new SR 509 Expressway, new I-5 ramps, new 24<sup>th</sup> Avenue South interchange, and a new bridge.
- Stage 2: This stage is also called the SR 509/24th Avenue South to South 188th Street – New Expressway Project, is the project's final stage. WSDOT will build the remaining two miles of new SR 509 Expressway, reconfigure SR 509 interchanges at South 188th and South 160th Streets, and add a southbound auxiliary lane on I-5 between SR 516 and South 272nd Street.

In 2020 the Port entered into an Interlocal Agreement with WSDOT that identified the Port's financial commitment in support of the SR 509 Completion Project. The Interlocal Agreement identified \$15 million in funding to support the first phase with a commitment no earlier than December 2023. It also identified up to an additional \$15 million in funding for the second phase with a payment schedule to be determined by both parties. An additional \$50,000 has also been identified for staff costs to support of the design and construction of the SR 509 Completion Project.

This request is to support the execution of a MOU that includes a number of design and construction components for Stage 2 of the SR 509 Completion Project. This MOU is essential to support WSDOT's procurement of the design-build team and includes requirements for runway protection zones, South 194<sup>th</sup> Street local access, forward compatibility for the Southern Airport Expressway ("South Access"), signage on South 188<sup>th</sup> Street, landscaping, maintenance of traffic strategies, detention pond treatments, and South 200<sup>th</sup> Street property access. The SR 509

Meeting Date: October 25, 2022

Completion Project will also require permanent and temporary construction easements on Port property but these actions do not require Commission authorization.

***Schedule***

Stage 1a is currently in construction with work expected to be complete in late 2022. Stage 1b is also in construction with work expected to be complete in 2025. Stage 2 is in preliminary engineering with work expected to be complete in 2028.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED****Alternative 1 – Do not support the SR09 Completion Project**

Cost Implications: \$17,000 in expense costs to date

Pros:

- (1) Lower financial contribution by the Port

Cons:

- (1) Does not support improvements to the vital freight corridor that supports the movement of goods to and from our seaport facilities and SEA
- (2) The Port would violate its Interlocal Agreement with WSDOT and the MOU with other local governments supporting the Puget Sound Gateway Program
- (3) The Port would potentially compromise its relationship with the Washington State Legislature

This is not the recommended alternative.

**Alternative 2 – Support the SR 509 Completion Project**

Cost Implications: \$30,050,000

Pros:

- (1) Supports the SR 509 Completion Project
- (2) Provides improvements to the vital freight corridor that supports the movement of goods to and from our seaport facilities and SEA
- (3) Consistent with the Interlocal Agreement and MOU supporting the Puget Sound Gateway Program

Cons:

- (1) Higher financial contribution by the Port

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

Meeting Date: October 25, 2022

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

The \$30 million Port contribution is currently written into the Port's Plan of Finance. The initial \$15 million contribution is scheduled to begin no sooner than December of 2023. The funding source for this agreement would be the tax levy or general obligation bonds.

The timeframe for the remaining \$15 million Port contribution was based on the timeline put forward by the Washington State Legislature in their 2017-2019 transportation budget. Since the project was accelerated that disbursement is being reviewed. Once defined the original Interlocal Agreement will be amended and will be part of a future Commission action and briefing later in 2023.

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft memorandum of understanding

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

January 7, 2020 – The Commission authorized the Executive Director to execute an Interlocal Agreement with WSDOT regarding the SR 509 Completion Project

October 22, 2019 – The Commission conducted the second reading and passed Resolution 3762, a resolution to surplus and sell real property to WSDOT in support of the SR 509 Completion Project

October 8, 2019 – The Commission introduced Resolution 3762, a resolution to surplus and sell real property to WSDOT in support of the SR 509 Completion Project, and conducted the public hearing

May 22, 2018 — The Commission authorized the Executive Director to execute the Puget Sound Gateway Local Funding and Phasing MOU with other agency partners

November 22, 2017 – The Commission convened a roundtable on “Increased Travel to and from the Airport over the next 20 years” which included a briefing on the Puget Sound Gateway Program

Item No.	8d_attach
Meeting Date:	October 25, 2022

## MEMORANDUM OF UNDERSTANDING (MOU)

**between**

**WSDOT / PORT OF SEATTLE**

This MOU documents agreement between the Washington State Department of Transportation (“WSDOT”) and the Port of Seattle (“Port”), each a “Party” or collectively the “Parties.”

### **1. Background.**

WSDOT is planning the construction of the SR 509 24th Avenue S/S 188th Street – New Expressway Project (“Project”), also known as the SR 509 Completion Project Stage 2, and portions thereof lie with the Port property boundary. The Port has certain design requirements or requests to be incorporated into the construction of the Project. The Parties have had ongoing discussions that have resulted in design decisions by WSDOT for elements within the Project. WSDOT will construct the Project improvements as described in this MOU and shown in Exhibit A. This MOU is intended to cover Design and Construction relative to SR 509 Stage 2 and any post-construction maintenance/operations terms and commitments will be addressed by a separate agreement or amendment to existing agreements.

### **2. Project Development and Coordination.**

2.1 **Jurisdiction.** The terms and commitments herein to meet the mutually-agreeable requirements of the Port apply only to facilities within those Port property areas outside of the WSDOT ROW. WSDOT ROW limits are defined as those recorded on the current approved ROW Plans.

2.2 **Review and Coordination.** During the design phase (RFP development) of this Project, WSDOT and Port will identify the extent of the design elements and improvements within the Port property, and/or associated with access to the Port property. WSDOT will provide Port with Project design plans as early as possible, and will schedule and meet with Port to review, to the extent knowable by WSDOT during Project development, the right-of-way and environmental requirements, facilities design, traffic maintenance, and construction scheduling to ensure the Port has opportunity to comment. The Parties will thereafter work cooperatively to concur with and incorporate the desired design elements, standards, aesthetics, material/finishes, and improvements and the timing and process to establish any property commitments or permits as required under Section 2.5.

The Port acknowledges its obligation to plan for and participate in each of the Project’s plan reviews and comment resolutions and task force meetings prior to construction plan Release for

Construction at the Port's cost. Port will participate in the Preconstruction meetings to coordinate and resolve any outstanding plan review or task force meeting issues prior to beginning construction. The Port acknowledges that WSDOT is the owner representative in the contract with the Design-Builder and WSDOT will act on behalf of the Port and FAA to ensure that the work is performed in accordance with the contract, which includes the FAA regulations and adopted Port standards.

Review submittals to and from either Party will be transmitted prior to 3:00pm on the due date day.

**2.3     Alternate Technical Concepts (ATC)**. During the Design-Builders' proposal development for this Project, WSDOT may receive requests for acceptance of alternate design concepts which may include design elements and improvements within the Port property, and/or associated with access to the Port property that are not covered by this MOU. The Port acknowledges that WSDOT is required both to keep ATC's confidential until award and to respond with an acceptance or rejection within 8 working days of receipt of an ATC. WSDOT will provide Port with ATC design plans as early as possible and will schedule and meet with Port to review. The Parties will thereafter work cooperatively to concur with and incorporate the desired revisions and process an amended MOU.

**2.4     Environmental Approach**. Wetland Buffer impacts may be mitigated for at Barnes Creek. Wetland impacts may be mitigated for at the (former I.A.C Seattle III property) advance mitigation site. Wetland impact limits are considered to be determined as follows:

Permanent Impacts:

- To Cut and Fill grading lines
- To Drip line of Bridge
- 3' outside of Fill wall

Temporary Impacts

- 5' beyond Cut grading lines
- 20' beyond fill grading lines
- 5' outside dripline of bridge
- For Fill Walls: 5' outside of the 3' permanent impact line.

WSDOT acknowledges that stormwater runoff from SR 509 Completion Project Stage 2 cannot discharge into the Port's system. The Port's system is subject to the Airport's NPDES permit and is required to maintain separation from the SR509 Completion Project Stage 2 stormwater system

**2.5     Construction Approach**. WSDOT will construct the Project to meet the mutually-agreeable requirements of the Port. WSDOT will include applicable sections from the FAA regulations and adopted Port standards directly or as references in the WSDOT construction contract documents for Stage 2 as Mandatory Standards for all work done on Port right of way and property.

If the Port wants any item of work constructed to deviate from what is required by FAA regulations and adopted Port design standards published at the time the RFP was advertised, the Port must inform WSDOT in writing at least ninety (90) days prior to WSDOT's addendum due date for Proposals of such changes. Otherwise, any change requested by Port after (90) days prior

to WSDOT's addendum due date will be funded solely by the Port if such change increases the cost of the Project. See Section 3.0 below. However, changes requested by the Port after (90) days prior to WSDOT's addendum due date that are necessary to bring the work in compliance with applicable sections of the FAA regulations and adopted Port standards included in the advertised RFP, shall not be funded by the Port.

The desired design elements identified below are based on WSDOT's conceptual design to be included in the advertised RFP. Some of these commitments may become null and void based on the final design scope and configuration innovations or alternative technical concepts of the selected Design-Builder:

- a) Illumination and Signal work within Project limits. Signalization for Starling Drive will be protected in place during construction. Independent lighting for access drives to/from S 200<sup>th</sup> Street, if requested, will be permitted, installed, powered, and maintained at Port's expense in accordance with the terms of betterments in Section 3.0
- b) Signing work within Project limits. New signs requested by the Port that did not exist prior to the Project that are not warranted for safe operation will be considered a betterment and paid for by the Port per Section 3.0 upon approval. The existing street right of way width for westbound S 188<sup>th</sup> is insufficient to accommodate standard street sign placement and the Port will cooperate with the City to secure sufficient right of way width or permit rights to install required signage per Section 2.6.
- c) Utility relocation work within Project limits. Existing utilities within the street ROW are there by franchise rights (Type 1) and any conflicting facilities shall be relocated at the utility owner's cost. Existing utility services from within the ROW to the Port's property will be maintained 24/7 during construction and preserved after construction.
- d) FAA Requirements. WSDOT acknowledges that the Port is not responsible to administer the FAA requirements but will help WSDOT identify design elements or approaches that aren't in alignment with those requirements. WSDOT will remove the trees within the WSDOT ROW acquired from the Port that have been identified by the Port as non-compliant with the height restriction terms of the property deed and the Land Exchange Agreement. Use of cranes and other equipment during construction will comply with the height restrictions and other requirement imposed by the FAA 7640.
- e) Storm Water Detention Pond work. New Project ponds within 10,000 ft of the AOA will be designed and constructed to include features intended as wildlife hazard deterrents in compliance . The design may include pondside slopes lined with HDPE or planted with dense vegetation to prevent wildfowl use and an unlined pond bottom to provide infiltration. New Project ponds experiencing standing water longer than 48 hours, or that are identified by the Port to be experiencing a wildlife hazard or non-compliance with GCA-4419, will be filled with a floating ball blanket which is Port's BMP for mitigating open-water associated hazardous-wildlife attractants.
- f) Landscaping – Plants used within project limits that lie within 10,000' of the AOA will be of those varieties in the Airport Approved Plant List. The Port will review and may approve other plant types if not already on the plant list. Elm species, though currently not on this list, have already been requested and approved for this project

## 2.6 Property Rights and Permitting. WSDOT will be responsible for recording any

land exchange relinquishments and transfers in the King County Auditor office.

Upon approval from the FAA , Port will grant WSDOT a 15' x 15' permanent nonexclusive easement abutting the street right of way, for the placement of a Destination/Wayfinding roadside traffic sign for the safe operation of the new RAB, on a site to be determined on the north side of S 188<sup>th</sup> Street with adequate distance from the Airfield Operations Area fence so as not to compromise airfield safety and security. Port will grant WSDOT a 15' wide temporary construction easement on tax parcel 3223049020 for approximately 6 months to complete installing/removing construction fencing, grading, drainage, paving, and landscaping during reconstruction of the existing shared use path at the SW corner of S 188<sup>th</sup> and DMMD.

2.7 Street Closure limits and allowances. WSDOT will coordinate the Maintenance of Traffic (MOT) conditions with the Port prior to and during construction. Currently anticipated and planned traffic restrictions include the following, which are subject to change based upon the final design of the selected Design Builder:

- a) The Port will not object to S 192<sup>nd</sup> Street being closed across the SR 509 ROW for 6 to 9 months during the new bridge construction. For the duration of such closure, S 188<sup>th</sup> Street and S 194<sup>th</sup> Street will remain open and unrestricted during this period.
- b) S 200<sup>th</sup> Street access drives to/from the Port property will be maintained 24/7 during construction, with the exception of periodic flagging station closures during the work day for safety during bridge construction activities.
- c) Starling Drive access at S 188<sup>th</sup> Street will be maintained 24/7 during construction.
- d) Additional Maintenance of Traffic strategies may be necessary during construction as will be coordinated with the Port

2.8 WSDOT shall allow Port inspectors access to the Project construction site to inspect any work involving Port-owned property, right of way or utilities, or property to be transferred to and/or maintained by the Port after construction, at reasonable times and with the prior consent of WSDOT upon 48 hours prior written notice to the WSDOT project engineer.

2.9 FHWA-1273 (Exhibit B), *Required Contract Provisions Federal-Aid Construction Contracts*, is incorporated and made a part hereof and the provisions therein will apply to all work on this Project.

### 3. Payment and Costs.

The Port acknowledges that requests for change(s) to the WSDOT construction contract after (90) days prior to WSDOT's addendum due date, other than changes that are necessary to bring the design in compliance with applicable sections of the FAA requirements and adopted Port standards, may increase costs for the Port and that WSDOT will not implement any such change(s) unless the Port agrees in advance in writing to be solely responsible for the costs associated with such change. All such changes shall ultimately be made at the sole discretion of WSDOT. WSDOT acknowledges that the Port shall not be responsible for increased costs for any design changes requested by the Port that are necessary to bring the design or the work in compliance with FAA requirements and adopted Port standards.

Betterment. Notwithstanding the foregoing, if Port desires to include a betterment in the above design elements work at any specific location, WSDOT will allow for betterment work to be performed, provided the Parties can reasonably coordinate the Project schedule to accommodate the betterment work without increasing Project costs or delaying the Project. Betterment is defined as any significant deviation or upgrading of the design being contemplated during the implementation of the Project that is not attributable to the highway construction or to meeting current requirements or standards and is made solely for the benefit of and at the election of Port. The difference in cost between the minimum construction required as a result of the Project and Port's desired betterment shall be at Port's sole expense and the additional funds authorized by amendment to GCB 3331. The estimated cost of betterments to be paid by the Port will be fully loaded, including but not limited to Design-Builder's change order markup, sales tax, WSDOT construction engineering management labor, and WSDOT regional overhead markup.

#### 4. Indemnification.

To the extent permitted by law, WSDOT and the Port shall protect, defend, indemnify, and save harmless each other, their respective officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, indemnifying party's (WSDOT and the Port) negligent acts or omissions. Neither WSDOT nor the Port will be required to indemnify, defend, or save harmless each other if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the other party. Where such claims, suits, or actions result from concurrent negligence of WSDOT and the Port, the indemnity provisions provided herein shall be valid and enforceable only to the extent of WSDOT's or the Port's own negligence. WSDOT and the Port agree that their respective obligations under this subsection extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, WSDOT and the Port, by mutual negotiation, hereby waive, with respect to the other party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that WSDOT or the Port incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this section, all such fees, expenses, and costs shall be recoverable by the prevailing party. This indemnification shall survive the termination of this MOU.

#### 5. General Provisions

5.1 Breach. If a Party is in material breach of or fails to perform the terms and provisions of this MOU and such failure continues for a period for thirty (30) days after written notice from the other Party (or if such failure is not susceptible of a cure within such thirty (30) day period, cure has not been commenced within such thirty (30) day period and diligently pursued thereafter to completion), then such non-defaulting Party may, (a) terminate this MOU, and (b) pursue any remedies it may have under applicable law or principles of equity relating to such default, including an action for damages, specific performance and/or injunctive relief. Where the non-defaulting Party pursues an action for damages or otherwise,

such party shall be entitled to reasonable attorneys' fees, court costs and associated expenses in any prevailing action, if awarded in such action.

5.2 Rights and Remedies. The rights and remedies of the Parties to this MOU are in addition to any other rights and remedies provided by law, except as otherwise provided in this MOU.

5.3 No Waiver. Failure of a Party to enforce any term under this MOU shall not be deemed, nor shall it constitute, a waiver of such term or any other term, unless otherwise provided in a writing executed by the Party charged.

5.4 Compliance with Laws. Each of the Parties shall comply, and to the best of its ability shall ensure, that its employees, agents, consultants and representatives comply with all federal, state, and local laws, regulations, and ordinances applicable to the work and services to be performed.

5.5 Interpretation. This MOU is the result of negotiations between the Parties. Any ambiguity in this MOU shall not be presumptively construed in favor of or against any party.

5.6 Authority. Each Party represents and warrants that it has the requisite authority to execute this MOU.

5.7 Amendment. This MOU may be amended or modified only by the mutual agreement of the Parties. Such amendments or modifications shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

5.8 Counterpart and Electronic Signature. This MOU may be signed in multiple counterparts, each of which constitutes an original and all of which taken together constitute one and same MOU. Electronic signatures or signatures transmitted via e-mail in a "PDF" may be used in place of original signatures on this MOU. The Parties intend to be bound by its electronic or "PDF" signature on this MOU, are aware that the other Parties are relying on its electronic or "PDF" signature and waives any defenses to the enforcement of this MOU based upon the form of signature.

5.9 Audits/Records. All records for the PROJECT in support of all costs incurred shall be maintained by WSDOT for a period of six (6) years from the date of termination of this MOU or any final payment authorized under this MOU, whichever is later. The PORT shall have full access to and right to examine said records, during normal business hours and as often as it deems necessary. Should the PORT require copies of any records, it agrees to pay the costs thereof. In the event of litigation or claim arising from the performance of this MOU, the Parties agree to maintain the records and accounts until such litigation, appeal or claims are finally resolved. This section shall survive the termination of this MOU. The Parties agree that the work performed herein is subject to audit by either or both Parties and/or their designated representatives, and/or the federal/state government.

6. Endorsement

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be duly executed by their respective, authorized representatives as of the Party's date signed last below.

For Washington State Department of Transportation

For Port

DRAFT

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**ACTION ITEM**

**Item No.** 8e

**Date of Meeting** October 25, 2022

**DATE:** October 17, 2022

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

**FROM:** Eileen Francisco, Director, Aviation Project Management  
Laurel Dunphy, Director, Aviation Operations

**SUBJECT: Restroom Renovations Phase 5 Construction (CIP #800697)**

**Amount of this request:** \$13,858,000

**Total estimated project cost:** \$61,692,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to 1) advertise and award a major works construction contract for the fifth phase of the Restroom Upgrades on Concourses B, C, and D project at Seattle-Tacoma International Airport; 2) execute a Project Labor Agreement for this project; and (3) use Port crews. The amount requested under this authorization is \$13,858,000 of an anticipated total project cost of \$61,692,000.

**EXECUTIVE SUMMARY**

The public restrooms on Concourses B, C, and D, are old, outdated and overcrowded. When complete the new restrooms created by this project will improve the passenger experience by being brightly lit, featuring touch free faucets, soap dispensers and paper towel dispensers, and larger, more accessible stalls.

This is a five-phase project. The first three phases are complete, Phase 4 restroom construction is nearing completion. This request is to construct the Phase 5 restrooms. Phase 5 will remodel the remaining public restrooms on Concourses B, C and D and will incorporate adult changing tables, nursing suite, service animal relief area and additional family restrooms. This project was recently awarded a \$10,000,000 grant from the Federal Aviation Administration (FAA) through the Bipartisan Infrastructure Law (BIL) — Airport Terminal Program (ATP). Project Labor Agreements (PLAs) have been used on past projects to reduce risk to operations impacts and construction schedule delays caused by potential labor disputes. This project is planning to use a project specific PLA which is awaiting approval by the FAA.

Meeting Date: October 25, 2022

**JUSTIFICATION**

The public restrooms on Concourse B, C, and D, in addition to being old, have limited air circulation and odors that have permeated the finishes that often result in passenger's dissatisfaction with terminal restrooms. Enlarging, renovating, and building new restrooms will improve air circulation, reduce odors, and improve maintainability, accessibility, and passenger experience. This project, with its increase in restroom size and number of fixtures, further improves the passenger experience considering these new requirements.

***Diversity in Contracting***

This project is federally funded which requires the federal recipient to utilize U.S. Department of Transportation's certified Disadvantaged Business Enterprises (DBE) program. The project team is working with the Diversity in Contracting Department in establishing the Federal DBE goal.

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

The project scope for Restrooms Phase 5 includes the renovation of (5) existing sets of restrooms to reflect the latest Port Restroom Standards. The existing restrooms near Gates B3, C16, and D11 are to be renovated to multi-fixture gendered specific (Women's / Men's) restrooms with (2) adjacent single fixture (Family) restrooms. One of the single fixture restrooms at C16 will include an adult changing table.

The D3 existing restrooms will be converted to a series of single fixture (Family) restrooms. The existing restrooms near Gate D1 will be converted to our first "Amenities Suite" which will include a service animal relief area, Nursing Suite with adjoining Lactation Room and two single fixture (Family) restrooms, with one of the restrooms to include an adult changing table.

All the locations require renovated plumbing, HVAC, lighting, restroom fixtures, tile, flooring, decorative tile, and miscellaneous finishes.

***Schedule******Activity***

Phase 5 Construction start	2023 Quarter 2
Phase 5 in-use date	2024 Quarter 2
Total Project Complete	2024 Quarter 3

***Cost Breakdown*****This Request****Total Project**

Design	\$0	\$7,587,000
Construction	\$13,858,000	\$54,105,000
Total	\$13,858,000	\$61,692,000

Meeting Date: October 25, 2022

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1 – Do not proceed with Phase 5**

**Cost Implications:** \$ previously spent with \$0 of new spending (design costs to-date of \$1.5M would be expensed)

**Pros:**

- (1) No additional capital expenditures

**Cons:**

- (1) Loss of \$10M in FAA AIP grants
- (2) Reduce business opportunities to DBE
- (3) Reduce amenities to our customers
- (4) Limited accessibility at Sea-Tac
  - o Fewer ambulatory stalls
  - o Loss of adult changing stations
- (5) Maintainability and janitorial services would be limited
- (6) \$1.5M in design costs would need to be expensed

This is not the recommended alternative.

**Alternative 2 – Proceed with Phase 5**

**Cost Implications:** \$13,858,000 total project cost

**Pros:**

- (1) Maximize FAA Grant Funding
- (2) Provides business opportunities to DBE
- (3) Expands customer amenities
  - o Mother's Rooms
  - o Animal Relief Areas
- (4) Improves accessibility at Sea-Tac
  - o Ambulatory stalls
  - o Adult changing tables
- (5) Improved maintainability of restrooms, including janitorial services

**Cons:**

- (1) Highest cost alternative

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

**FINANCIAL IMPLICATIONS**

The original estimate was developed in 2015. In 2021, \$308,000 was transferred to the Airport Art Pool budget.

Meeting Date: October 25, 2022

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$11,180,000	\$0	\$11,180,000
Previous changes – net	\$50,779,000	\$41,000	\$50,820,000
Budget transfer to Art Pool (2021 Q1)	(\$308,000)	0	(\$308,000)
Revised estimate	\$61,651,000	\$41,000	\$61,692,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$47,793,000	\$41,000	\$47,834,000
Current request for authorization	\$13,858,000	\$0	\$13,858,000
Total authorizations, including this request	\$61,651,000	\$41,000	\$61,692,000
Remaining amount to be authorized	\$0	\$0	\$0

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

This project, CIP C800697, was included in the 2022-2026 capital budget and plan of finance with a budget of \$61,651,000. The funding source would be revenue bonds, Airport Development Fund (ADF) and grants. The total FAA grants is estimated at \$21 million.

***Financial Analysis and Summary***

Project cost for analysis	\$61,651,000
Business Unit (BU)	Terminal Building cost center
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.10 in 2025

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

Aviation Maintenance anticipates minimal impacts to operating and maintenance costs, as a result of the scope of work in Phase 5 of this project.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

September 8, 2020 – Commission authorized additional budget and to advertise and execute a major works contract for Phase 4.

August 11, 2020 –Commission authorized the Executive Director to increase the authorized spending by \$350,000, of which \$232,000 are COVID-19 related.

July 29, 2020 – Commission notification for Phase 3 construction contract – cumulative change orders exceeding 10%

Meeting Date: October 25, 2022

- May 21, 2020 – The Commission was notified of change orders exceeding 10% and 25% of the original contract amount for Phase 2.
- September 24, 2019 – The Commission authorized execution of a construction contract for Phase 3 of this project that was more than 10% over the engineers estimate and authorized additional construction funds for \$1,200,000.
- September 24, 2019 – Commissioners and Executive Director Metruck received an Executive Response from Aviation Managing Director Lytle regarding All-Gender Restrooms.
- September 12, 2019, Commissioners and Executive Director Metruck received an Executive Response from Aviation Managing Director Lytle.
- February 26, 2019 – The Commission was briefed by staff on a recommendation to move forward with motion to develop a Seattle-Tacoma International Airport gender inclusive restroom plan.
- October 23, 2018 – The Commission authorized construction of Phase 2 and Phase 3 of this project for \$8,969,000.
- October 23, 2018 – The Commission was briefed on the status of the motion to develop a Seattle-Tacoma International Airport gender inclusive restroom plan.
- May 22, 2018 – The Commission heard a motion to develop a Seattle-Tacoma International Airport gender inclusive restroom plan.
- September 12, 2017 – The Commission authorized construction of Phase 1 of this project for \$2,536,000
- July 12, 2016 – The Commission authorized the design for \$5,087,000.

# Restroom Renovations Phase 5 – FAA Phase 3 (CIP #800697)

October 25, 2022



# Restroom Renovation Program

The renovation project will be adding new and renovating existing public facing restrooms on Concourses B, C & D



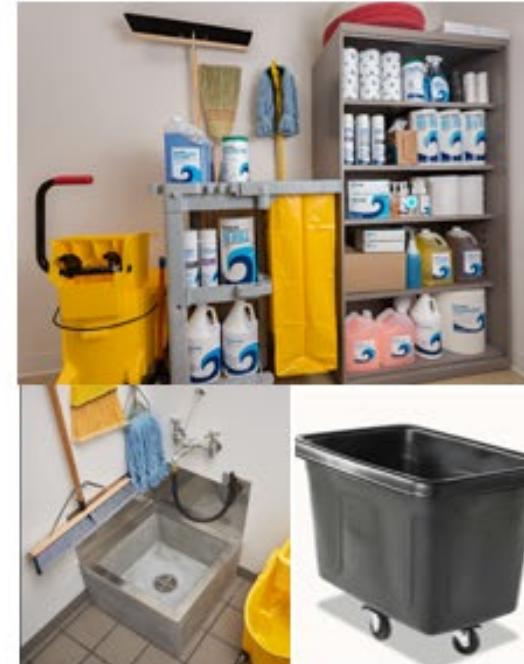
# Improvements & Amenities



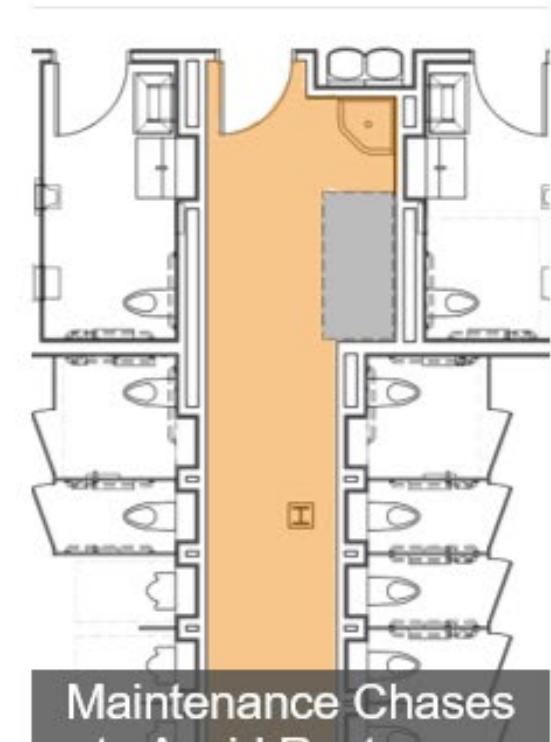
Water Filling Stations  
Added at Every  
Restroom Node



Full Ambulatory Stalls



Janitor Closets at  
Each Restroom with  
Mop Sinks, Storage  
for Whales & Products

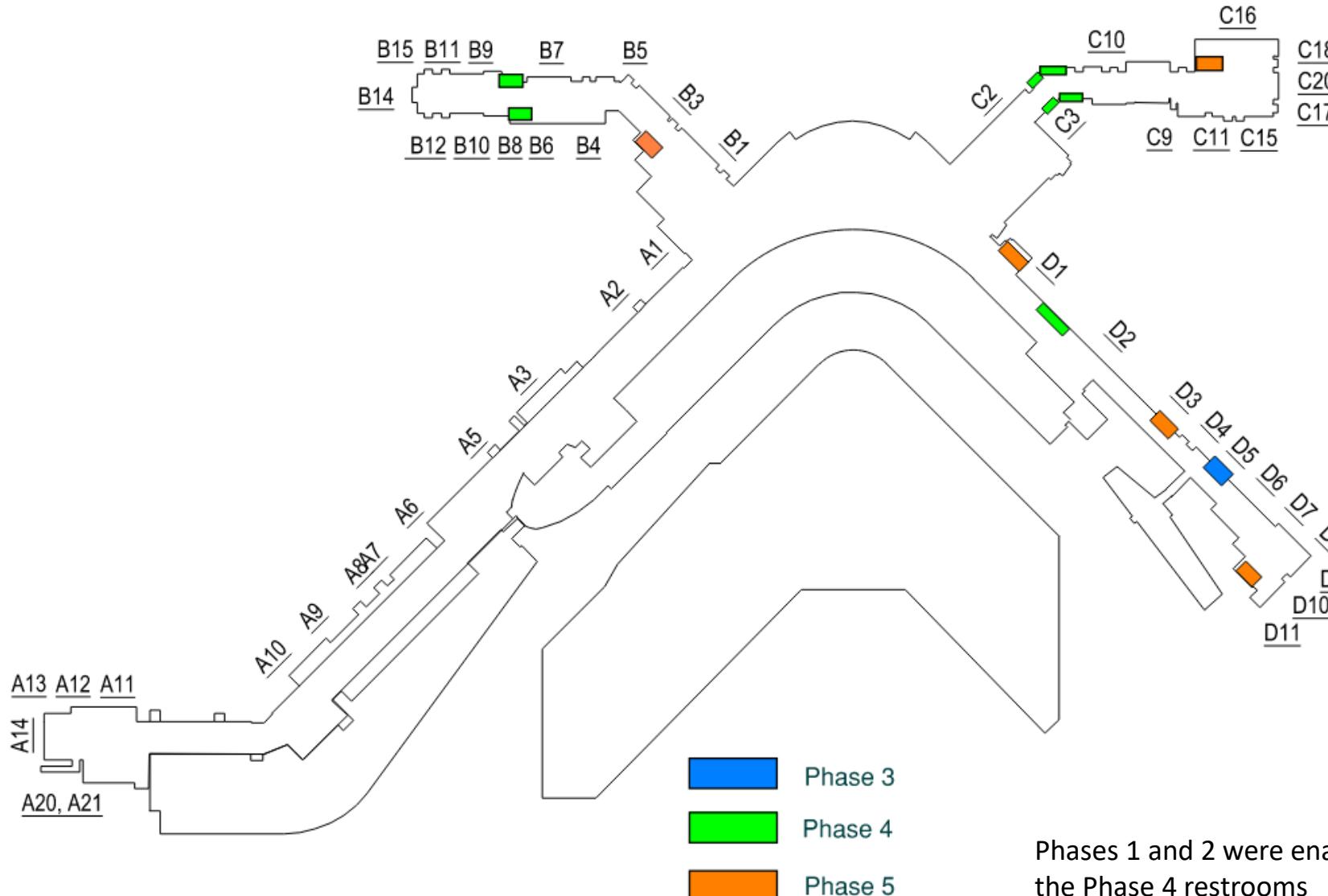


Maintenance Chases  
to Avoid Restroom  
Closures Due to  
Repairs

# Restroom Renovations Program

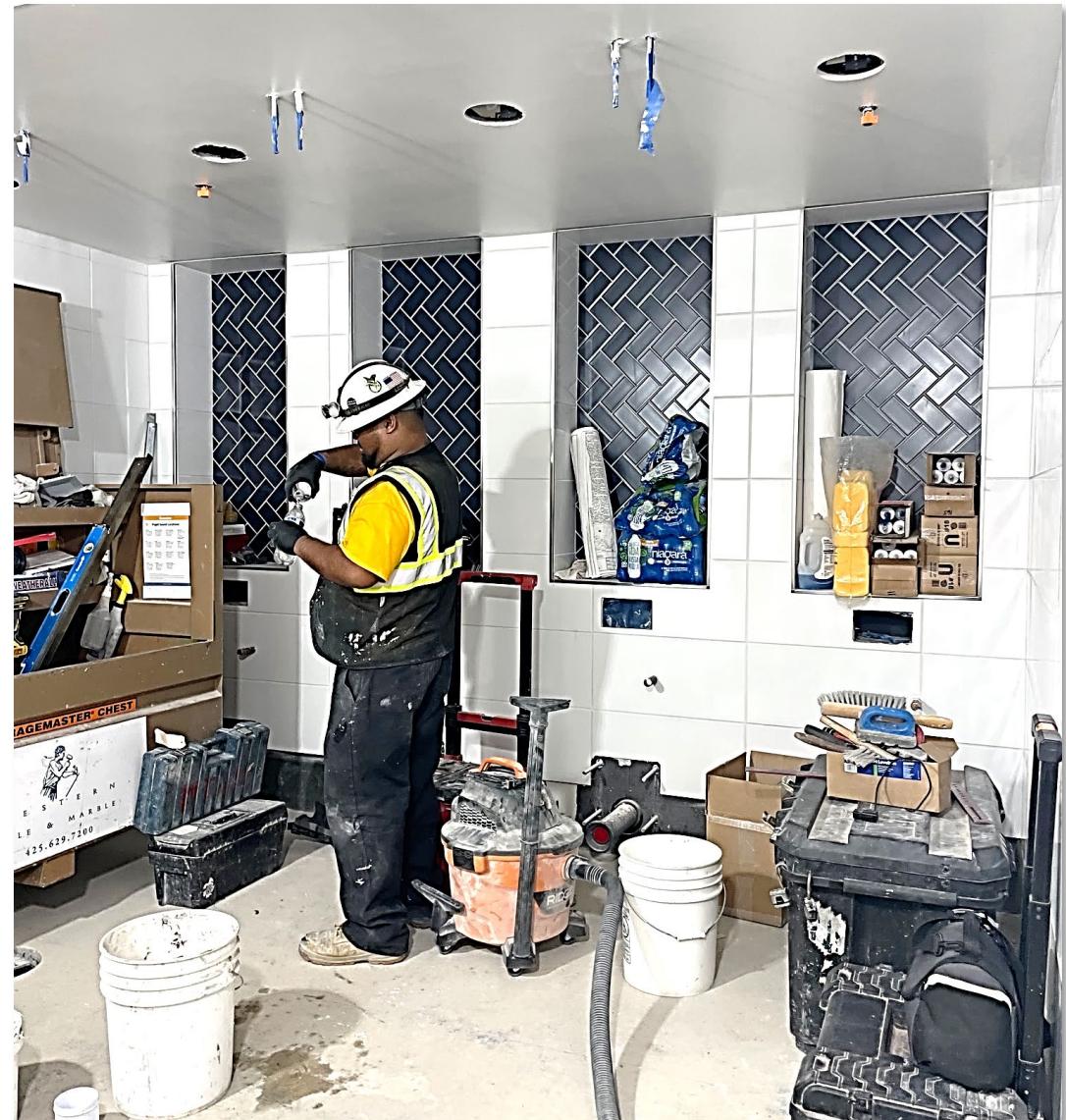
PHASE 1	Builds out office space required to relocate two existing tenant functions from concourse to ramp level to free up space to provide new and enlarged public restrooms	Completed
PHASE 2	Builds out office space and employee restrooms required to relocate three existing tenant functions from concourse to ramp level to free up space to provide new and enlarged public restrooms.	Completed
PHASE 3	Renovates and enlarges one public restroom set on Concourse D (prototype restroom)	Completed
PHASE 4	Provides new & expanded restrooms on concourses B, C & D. Includes All-Gender implementation.	In Construction
PHASE 5	Renovates remaining existing restrooms on concourses B, C & D to new standards. Incorporates Adult Changing Tables, Mother's Room, Animal Relief Area & additional Family Restrooms.	In Design Ready to Bid Q4 2022

# Project Restroom Locations



# DBE participation then and now

- Phase 3: 3% DBE Goal
  - 2.4% accomplished
- Phase 4: 2% DBE Goal
  - Currently tracking: 2%
- Phase 5: 4% DBE goals



# Phase 5 Project Schedule and Budget

## Schedule

Activity	Date
Phase 5 Construction start	2023 Quarter 2
Phase 5 in-use date	2024 Quarter 2
Total Project Complete	2024 Quarter 3

## Budget

Cost Breakdown	This Request	Total Project
Design	\$0	\$7,587,000
Construction	\$13,858,000	\$54,105,000
Total	\$13,858,000	\$61,692,000

# Phase 5 Construction Risks

- Supply Chain Challenges – Projects are experiencing longer than normal lead times for construction materials
  - Mitigation: Ensure project schedule anticipates current observed lead times; Seek early release of long lead items with contractor
- Federal Funding – Project funding may be at risk if the schedule is delayed
  - Mitigation: Ensure the project advertises for bids in 2022
- Unforeseen Site Conditions
  - Mitigation: Completed invasive site investigations during design; Adjusted construction schedule to account for risk where needed



# PHASE 4 CONSTRUCTION UPDATE

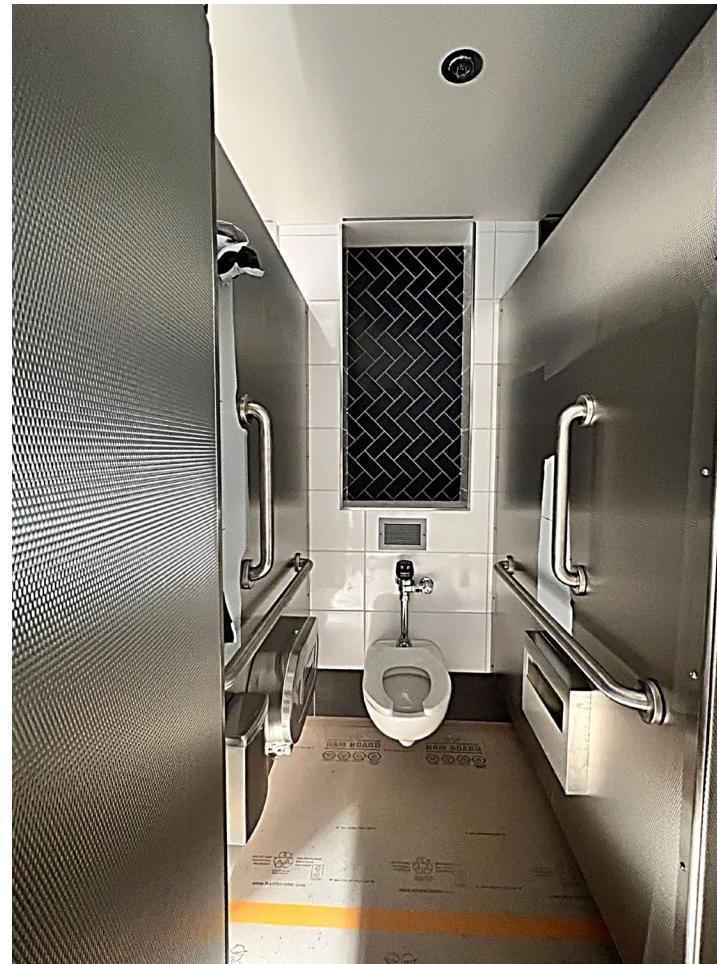
# Phase 4 Construction Update

What is coming from Phase 4?	
Location	Status
B-9	Open
C-3 North	Opening Q4 2022
C-2 North	Opening Q4 2022
D-2 (all gender restroom)	Opening Q1 2023
B-8	Opening Q1 2023
C-2 South	Opening Q1 2023
C-3 South	Opening Q1 2023

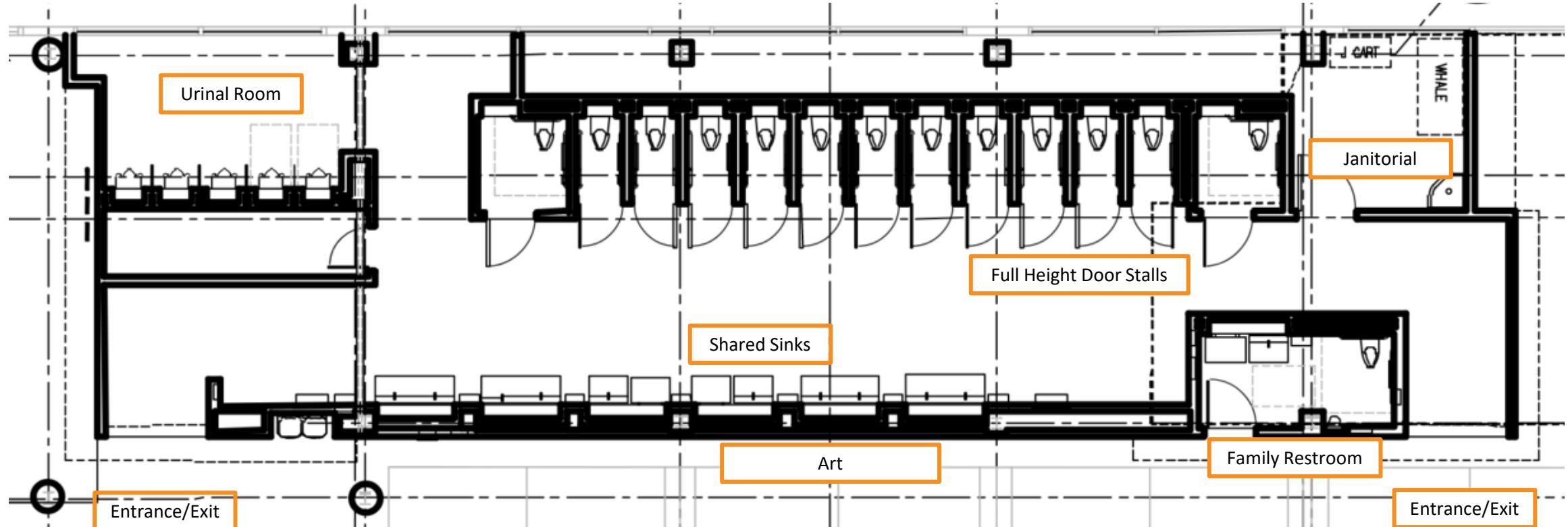
# B9 Restroom | Opened Q3 2022



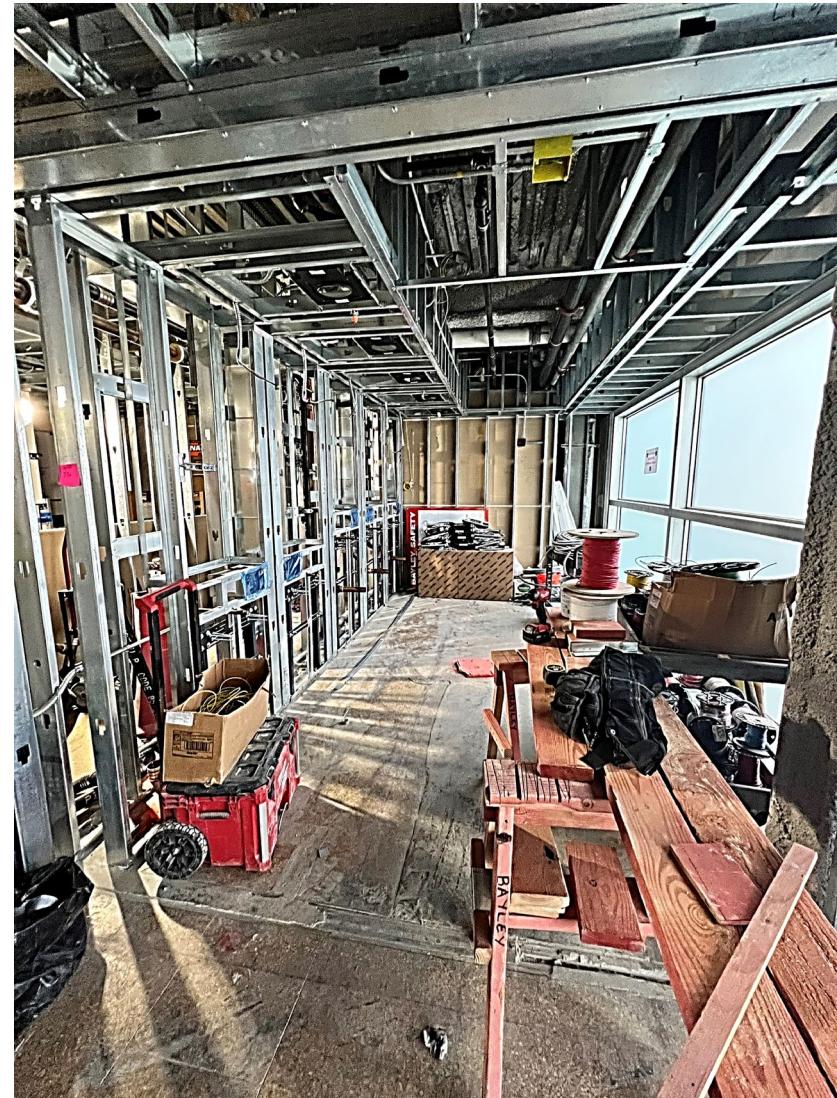
# C3 North Restroom | Opening Q4 2022



# D2 All Gender Restroom | Opening Q1 2023

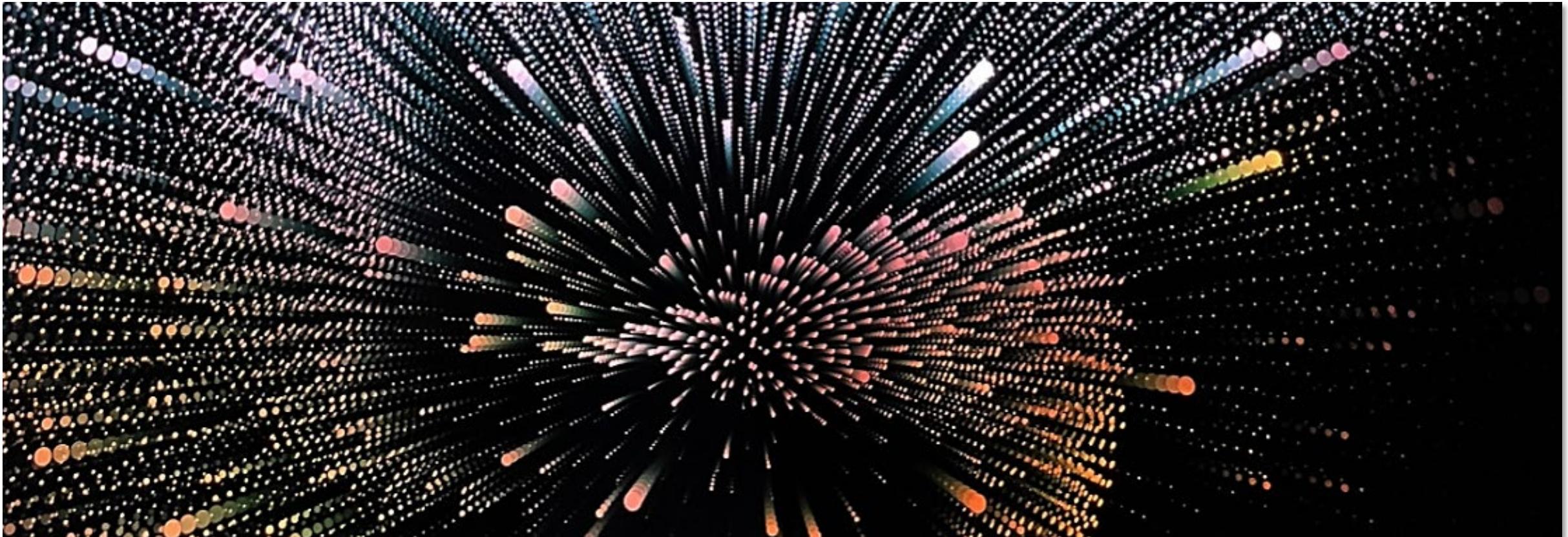


# D2 All Gender Restroom | Opening Q1 2023



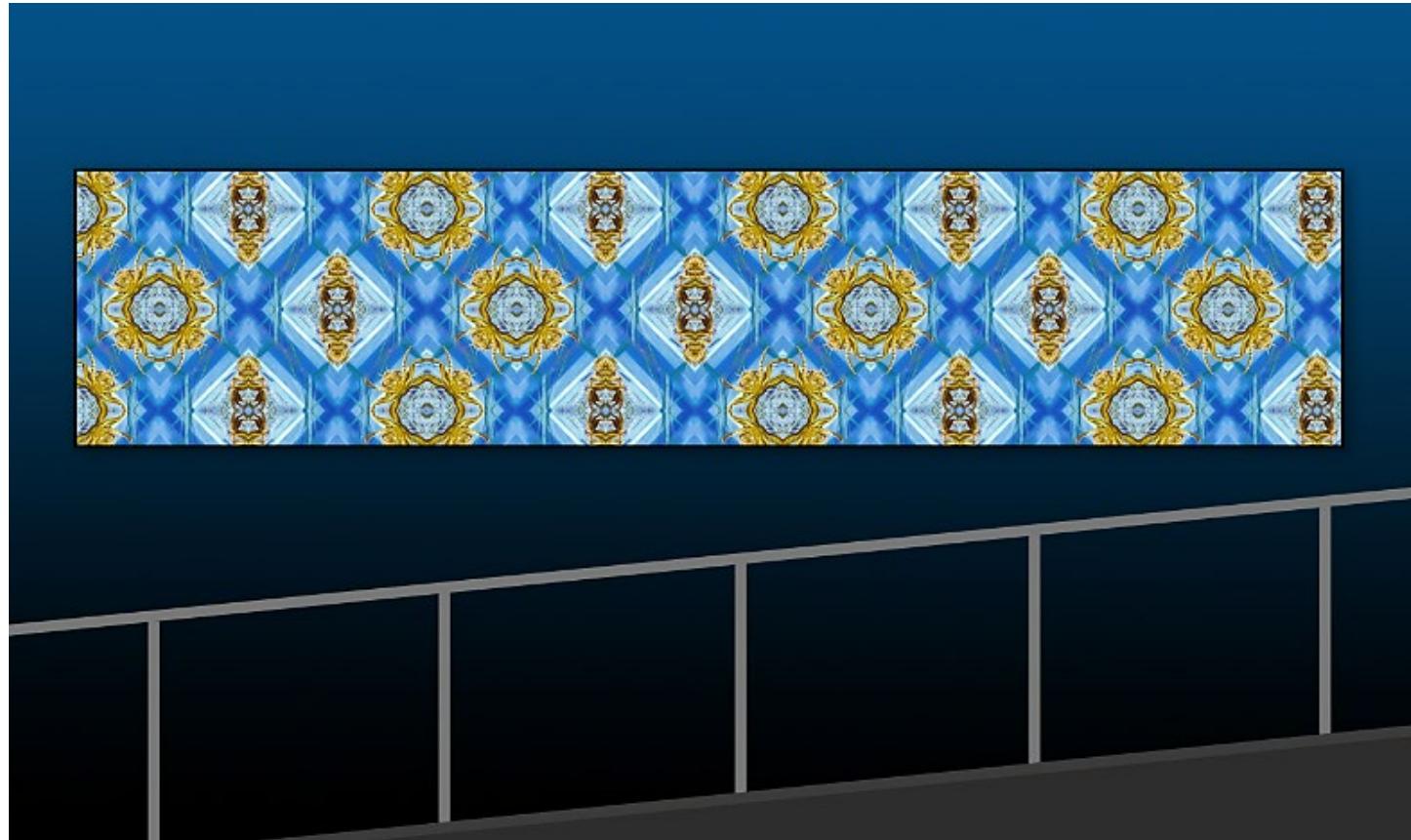
# Restroom B9

## Generative Light Art



“The Light” Artist: Maja Petric

# Restroom C2 and C3 South Animated Digital Art



“Points of Origin, Tides” Artist: Emily Tanner-McLean

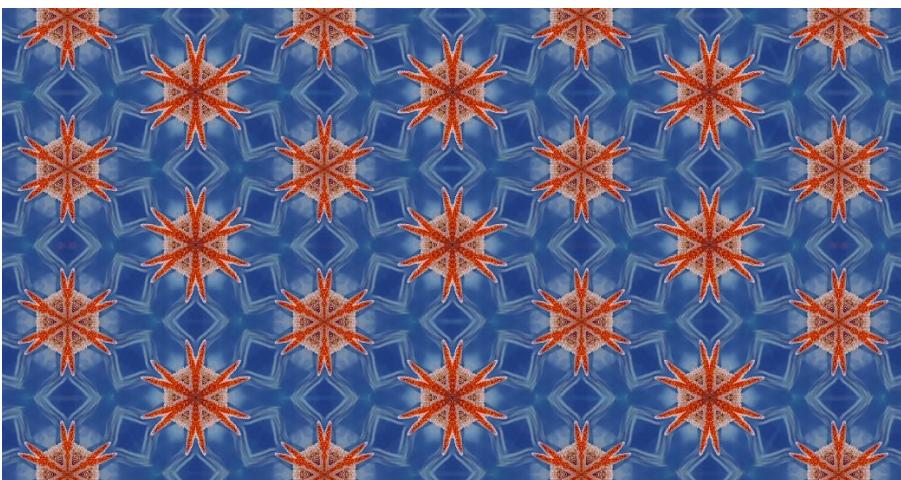
# C2 North and South Image Stills



Sea Urchin Still



Sea Anemone Still



Starfish Still

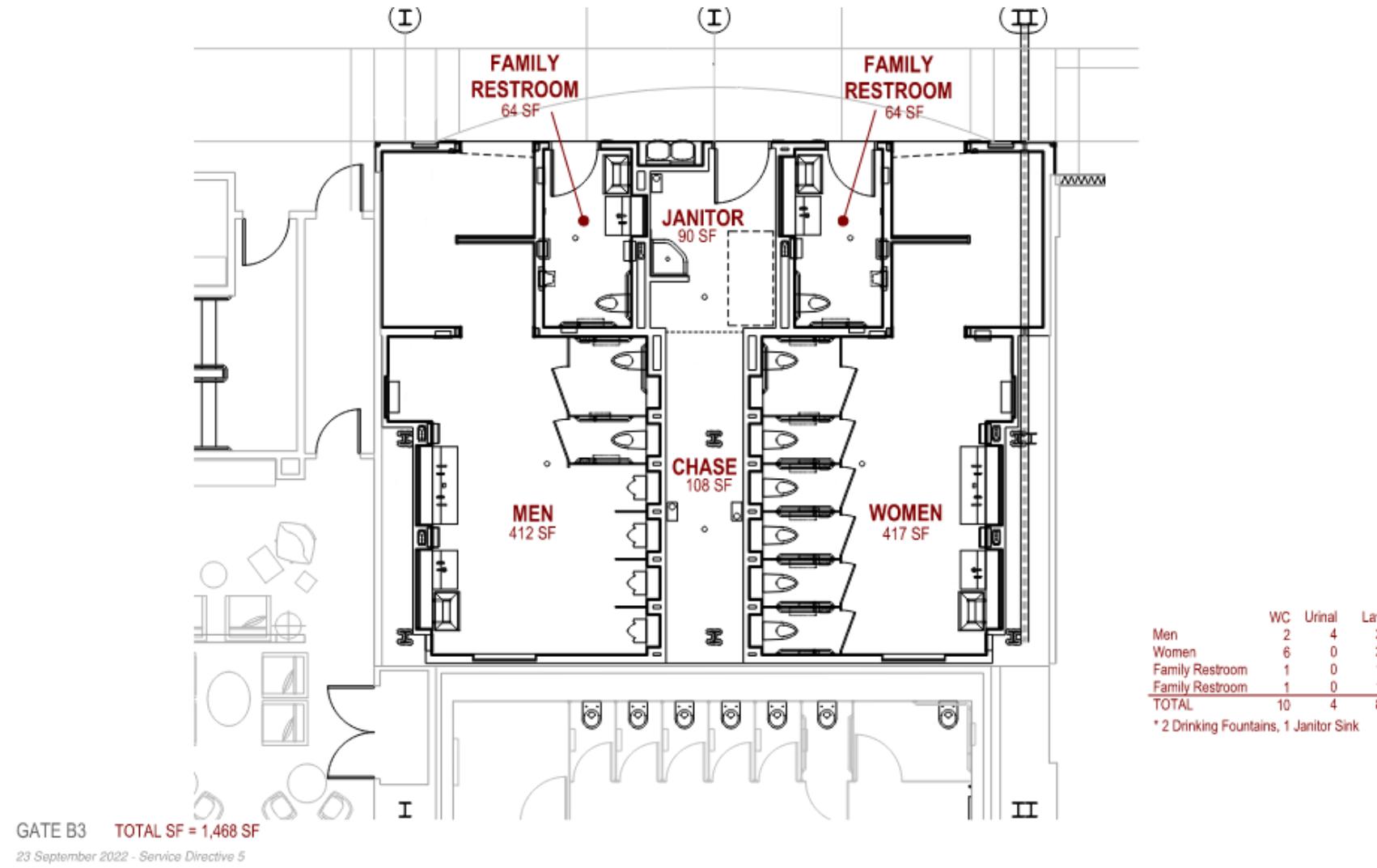


Crab Still

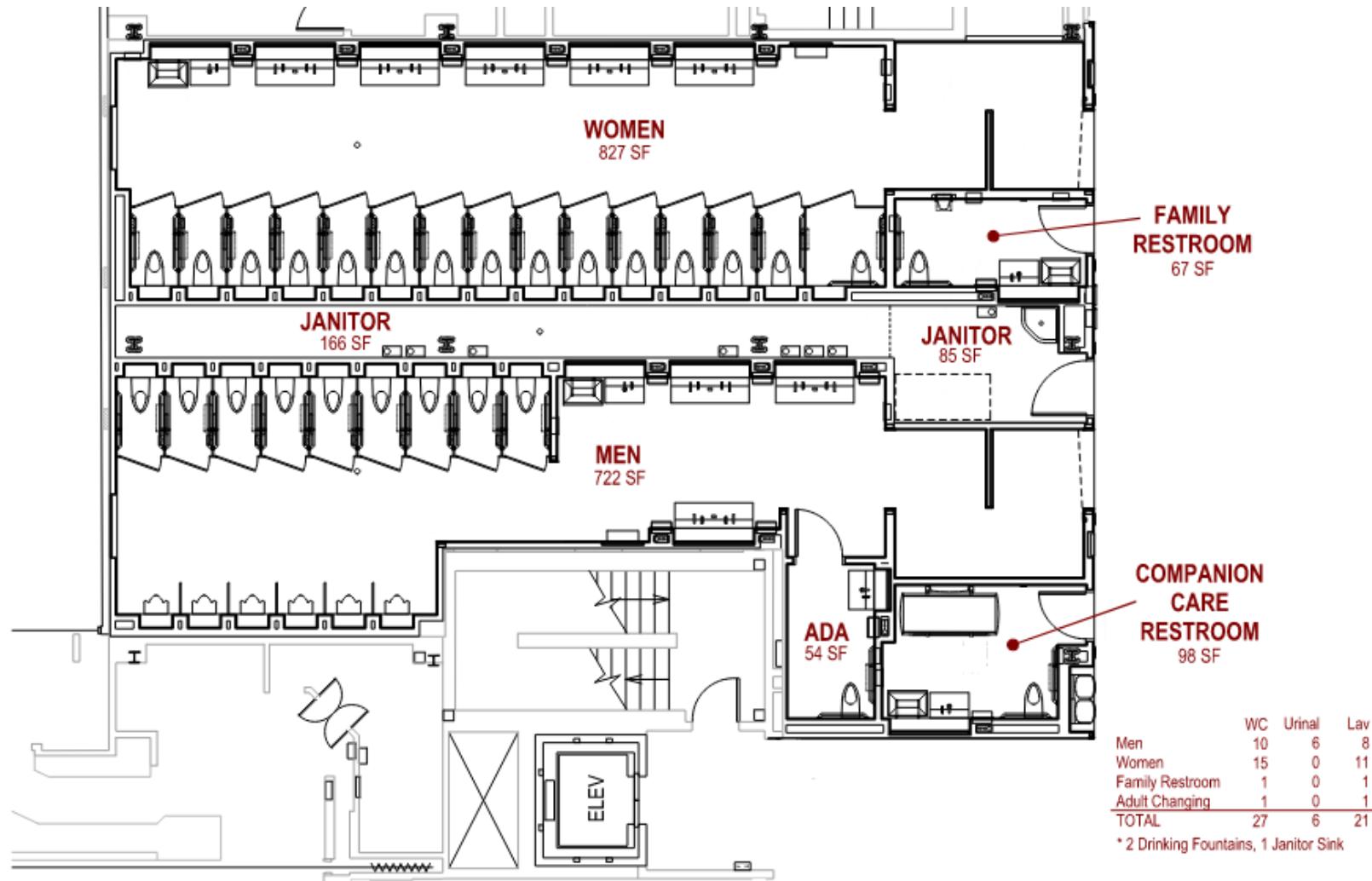


# PHASE 5 DESIGN UPDATE

# B3 Restroom | Construction Q2 2023 – Q4 2023

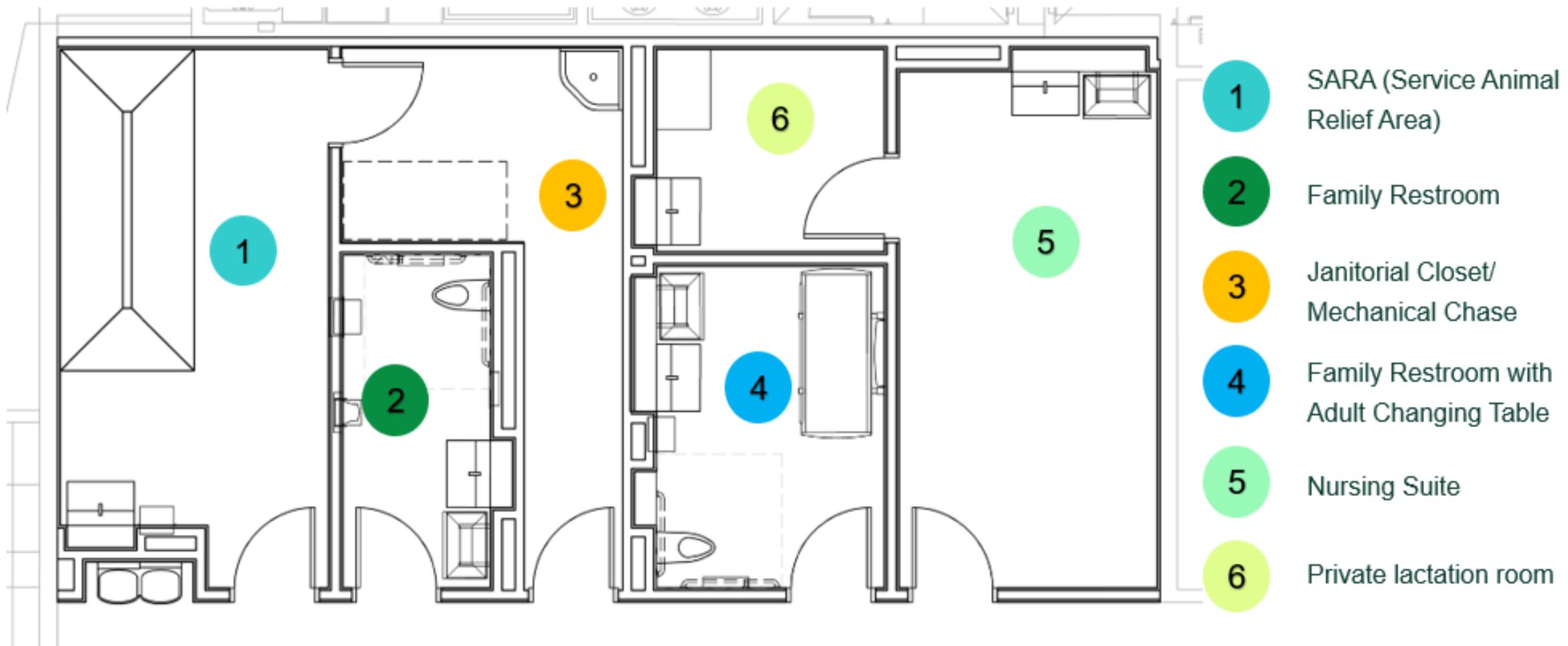


# C16 Restroom | Construction Q2 2023 - Q4 2023

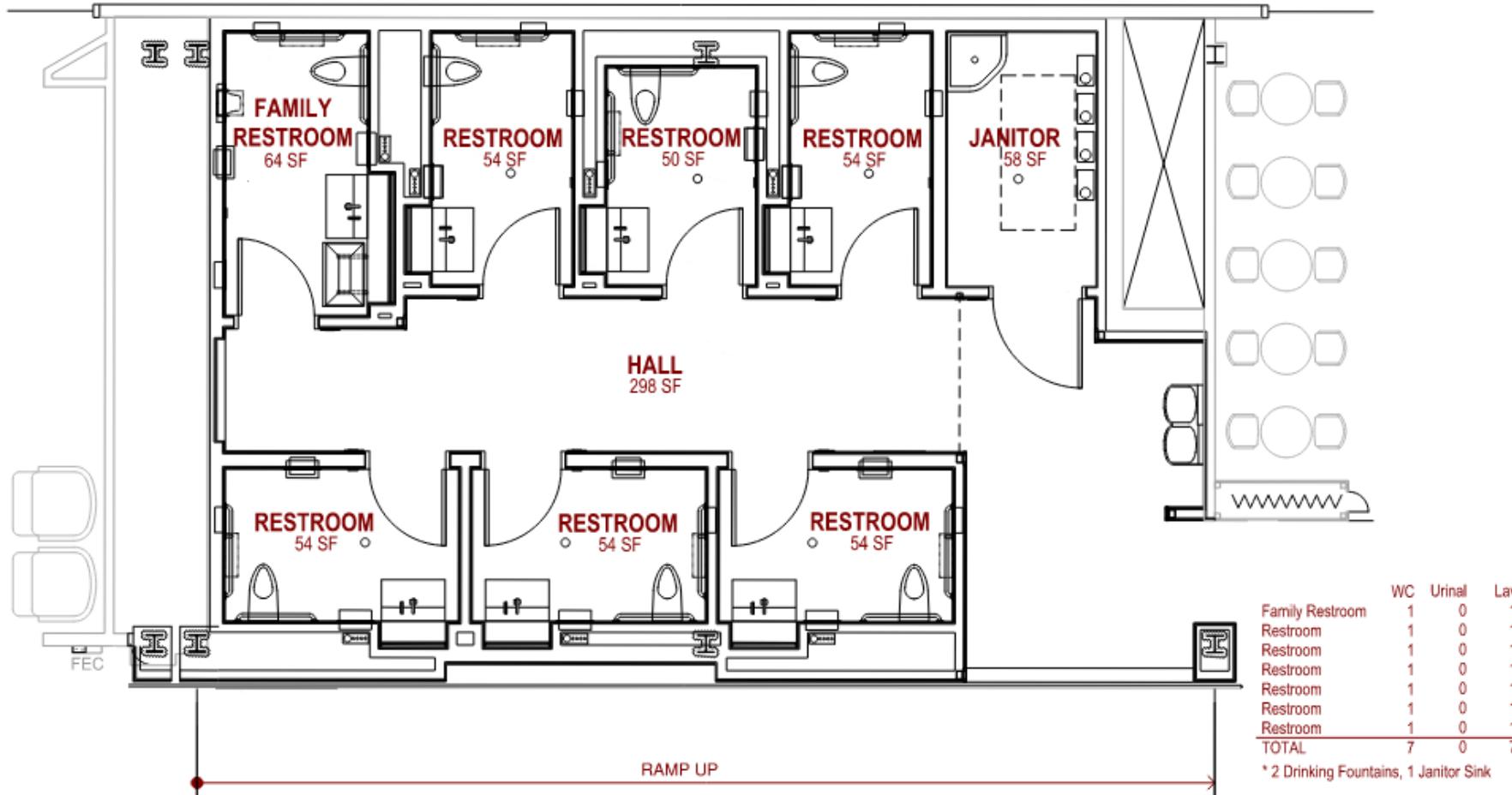


23 September 2022 - Service Directive 5

# D1 | Construction Q4 2023 - Q2 2024



# D3 | Construction Q2 2023 – Q4 2023



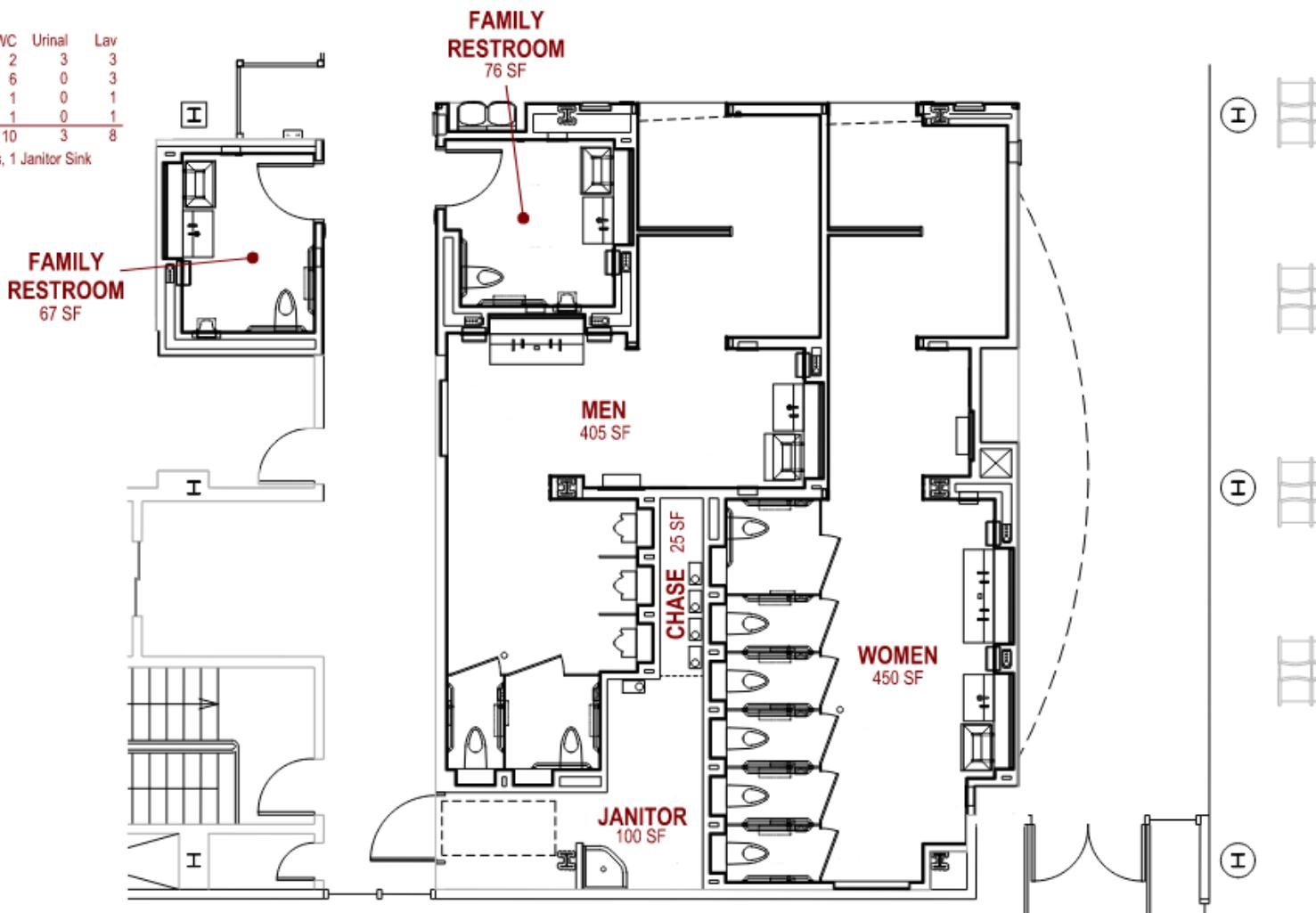
GATE D3    TOTAL SF = 1,070 SF

23 September 2022 - Service Directive 5

# D11 | Construction Q4 2023 - Q2 2024

	WC	Urinal	Lav
Men	2	3	3
Women	6	0	3
Family Restroom	1	0	1
Family Restroom	1	0	1
<b>TOTAL</b>	<b>10</b>	<b>3</b>	<b>8</b>

\* 2 Drinking Fountains, 1 Janitor Sink



GATE D11 TOTAL SF = 1,415 SF

23 September 2022 - Service Directive 5

# QUESTIONS?

[RETURN TO AGENDA](#)





**COMMISSION**  
**AGENDA MEMORANDUM**

**ACTION ITEM**

**Item No.** 8f

**Date of Meeting** October 25, 2022

**DATE:** September 14, 2022

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

**FROM:** Tommy Gregory, Senior Art Program Manager  
Mandy Xiggores, Senior Development Manager, Capital Programs

**SUBJECT: Public Art Program CIP Funding 2022-2023 C102066**

**Amount of this request:** \$6,710,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to approve funding and procurement for design, acquisition, fabrication, and installation of Public Art at Seattle-Tacoma International Airport for the 2022/2023 portion of the 2022-2026 Public Art for Airport Projects CIP in the amount of \$6,710,000 from the total art pool budget of \$27,523,820.

**EXECUTIVE SUMMARY**

This request is to approve funding and procurement for design, acquisition, fabrication, and installation of Public Art at Seattle-Tacoma International Airport in 2022 and 2023 for a total authorization of \$6,710,000.

**JUSTIFICATION**

This project supports the following Century Agenda and Aviation Division strategic goals:

- (1) Advance this region as a leading tourism destination and business gateway.
- (2) Responsibly Invest in the Economic Growth of the Region and all its communities.
- (3) Be a Highly Effective Public Agency.

Art plays a significant role in the customer experience at an airport. The addition of modern and diverse pieces into the collection brings opportunities to celebrate the cultural, historic, and environmental elements of the Pacific Northwest and across the globe while creating new experiences for travelers, customers, and the community.

***Diversity in Contracting***

Meeting Date: October 25, 2022

More than 60% of the recent commissioned artwork and acquisitions have been artists of color and/or female artists. We are currently creating criteria to expand Port wide opportunities in our regional cultural sectors.

**DETAILS**

- Regularly scheduled briefings will be made to the Port-Wide Arts and Culture Board. Selections will be in line with the Art Program's strategic vision to "Expand the SEA art collection to be more inclusive, diverse and community driven."
- This request is part of the "Public Art Program – 5 Year CIP Plan" that was briefed to the Commission in June 2022.

***Scope of Work***

Complete or advance the following Public Art works:

- (1) Restroom Renovation Phase 4 (All Gender Restroom) - Acquisition, \$200,000
- (2) Widen Arrivals Roadway - Fabrication and Installation, \$500,000
- (3) Concourse C Expansion - Design, \$1,800,000
- (4) Restroom Renovation Phase 5 - Fabrication and Installation, \$500,000
- (5) SEA Gateway Project - Design and Fabrication, \$1,000,000
- (6) Native Art - Fabrication and Installation, \$170,000
- (7) A Concourse Lounges - Acquisitions, \$40,000
- (8) Checkpoint 1 Relocation Project - Acquisition and Design, \$2,500,000

***Schedule***

Each capital project has its own schedule. The Public Art Team will work closely with Project Managers to ensure design, acquisition, fabrication and installation of art is in line with project schedules.

**FINANCIAL IMPLICATIONS**

<b><i>Cost Estimate/Authorization Summary</i></b>	<b>Capital</b>	<b>Expense</b>	<b>Total</b>
<b>COST ESTIMATE</b>			
Original Art Pool Budget	\$27,144,820	\$0	\$27,144,820
Current change	\$379,000		\$379,000
Current Art Pool Budget	\$27,523,820	\$0	\$27,523,820
<b>AUTHORIZATION</b>			

Meeting Date: October 25, 2022

Previous authorizations	\$3,568,820	0	\$3,568,820
Current request for authorization	\$6,710,000	0	\$6,710,000
Total authorizations, including this request	\$10,278,820	0	\$10278,820
Remaining Balance in Art Pool	\$17,245,000	\$0	\$17,245,000

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

This project, CIP C102066, was included in the 2022-2026 capital budget and plan of finance with a balance of \$27,144,820. A budget increase of \$379,000 was transferred from other capital projects for art related resulting in zero net change to the Aviation capital budget. The funding source would be the Airport Development Fund (ADF).

The art pool funding is outlined in the Port of Seattle Art Program Policy and Guidelines.

Funding for the POS art program is initiated from capital projects approved by the Port Commission. The current airport art capital project budget is established based on a one percent (1%) of a 5-year total capital program spending in 2022-2026.

The current authorization requested for 2022/2023 is \$6,710,000 of the total current Art Pool balance of \$27,523,820.

***Financial Analysis and Summary***

Project cost for analysis	\$6,710,000
Business Unit (BU)	Multiple cost centers
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.02 in 2023

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

On-going maintenance for the art collection is budgeted in the Art Department's annual operating budget.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

November 19, 2019 – The Commission passed Resolution No. 3766, Port Wide Arts and Culture

Item No. 8f supp  
Meeting Date: October 25, 2022

# Public Art Program CIP Funding 2022-2023



# Arts Program 5-year CIP Strategic Plan Overview

**Mission:** *"We are committed to creating opportunity for all, stewarding our environment responsibly, partnering with surrounding communities, promoting social responsibility, conducting ourselves transparently and holding ourselves accountable."*

**Strategic Vision:** Over the next 5 years, as part of the art programs contribution to the CIP, the Public Art Team seeks to:

- Use visual and performance arts to continue to improve the customer experience at SEA and increase revenues
- Expand the SEA art collection to be more inclusive, diverse and community driven
- Enhance and improve maintenance and restoration of existing art installation to maintain value and ROI

# Action Requested

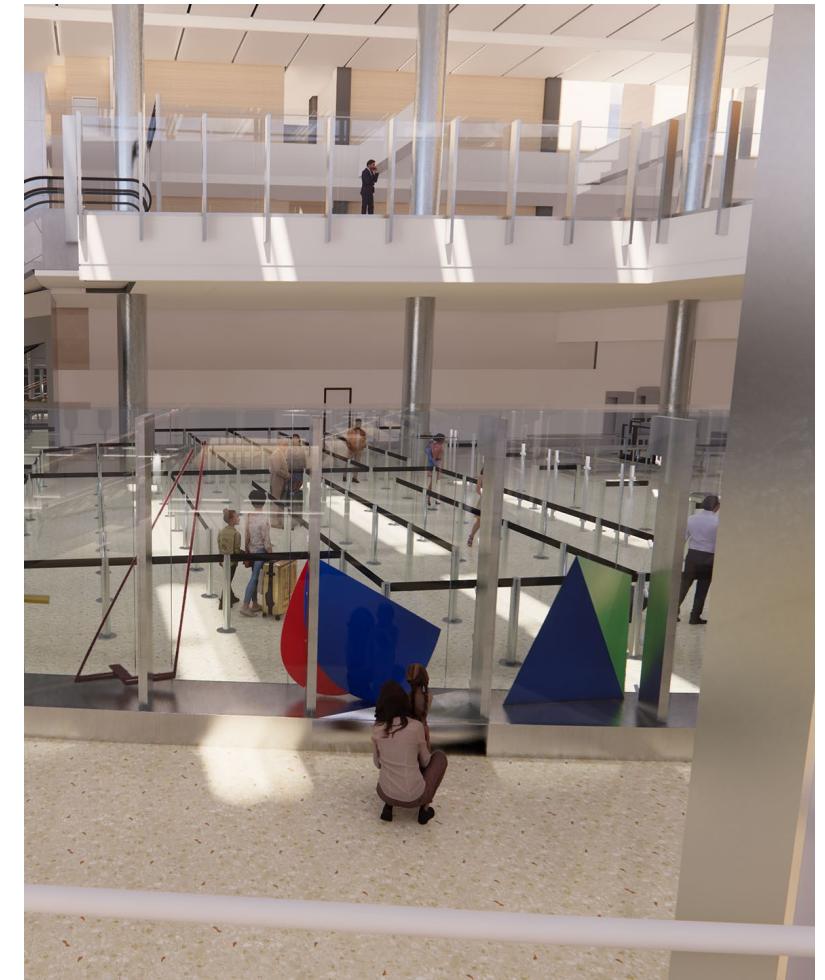
Approve funding and procurement for designs, acquisitions, fabrications and installations of Public Art at SEA for the 2022-2023 portion of the 2022-2026 Art Pool CIP.

Request in the amount of \$6,710,000 of total 5-year program budget of \$27.5M.



# Funds Will Be Used to Complete or Advance:

- **Restroom Renovation Phase 4 (All Gender Restroom)** - Acquisition, \$200,000
- **Widen Arrivals Roadway** - Fabrication and Installation, \$500,000
- **Concourse C Expansion** - Design, \$1,800,000
- **Restroom Renovation Phase 5** - Fabrication and Installation, \$500,000
- **SEA Gateway Project** - Design and Fabrication, \$1,000,000
- **Native Art** - Fabrication and Installation, \$170,000
- **A Concourse Lounges** - Acquisitions, \$40,000
- **Checkpoint 1 Relocation Project** - Acquisition and Design, \$2,500,000





# QUESTIONS?

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**ACTION ITEM**

**Item No.**

**8g**

**Date of Meeting**

**October 25, 2022**

**DATE :** October 6, 2022

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

**FROM:** Stephanie Jones Stebbins, Managing Director, Maritime Division; Director, Marine Stormwater Utility

Sarah Ogier, Director, Maritime Environment & Sustainability

Jane Dewell, Sr. Manager Environmental Programs/Marine Stormwater Utility

**SUBJECT: Adoption of 2023 Marine Stormwater Utility Rates**

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

**Total estimated project cost:** \$0

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to set 2023 Marine Stormwater Utility rates with an increase of 4.6% from 2022.

**EXECUTIVE SUMMARY**

The requested authorization will provide a 2023 rate structure to be adopted by the Marine Stormwater Utility (Utility), in support of Utility obligations to protect water quality, rehabilitate Port of Seattle (Port) stormwater assets, and support property managers and tenants in compliance with stormwater permit conditions. The proposed rate is a 4.6% increase from 2022. This rate is in line with the previous forecast presented to Commission on September 14, 2021.

**JUSTIFICATION**

A rate increase at the proposed level of 4.6% allows the Utility to improve water quality to meet the Port's Century Agenda environmental goals by:

1. Meeting or exceeding stormwater regulatory requirements;
2. Investing in streamlining processes to improve efficiency and reduce costs of meeting regulatory obligations; and
3. Maintaining significant level of investment to rehabilitate and increase the performance of the stormwater system to protect water quality in the Puget Sound.

**DETAILS**

The Utility was formed in 2014 to enable the Port to provide services, facilities, systems, and programs for surface water and stormwater management and pollution control. The Utility collects stormwater fees from the Port of Seattle, Northwest Seaport Alliance (NWSA), and

Meeting Date: October 25, 2022

tenants, and reinvests that income into maintaining and upgrading the stormwater infrastructure. Prior to creating the Utility, the stormwater fees paid by the Port and its tenants to the City of Seattle (City) were used to address City priorities and not priority stormwater needs at Port facilities. Benefits of Utility work include water quality protection in the Puget Sound as well as stormwater infrastructure that better supports Port tenants' stormwater investments.

The Utility rates apply to all Port-owned maritime (non-aviation) property, which includes land managed by the NWSA. Tenants pay stormwater fees based on the area of their leaseholds. The stormwater fees for the remaining unleased land at a facility are paid by the operating business. The operating business is either the NWSA or the specific Port business (Economic Development, Maritime Operations, Cruise, etc.) that oversees the unleased property. Rates are set to recover the cost of Utility operation and maintenance.

The Port Utility rates continue to be on average 24% lower than the City stormwater rates according to City Resolution 32000 (signed May 13, 2021).

The Utility rates are approved annually by the Commission. The Utility's internal leadership advisory committee reviews and approves rate recommendations for Commission consideration and approval. The advisory committee has recommended a 4.6% increase in 2023. This is consistent with rate analysis and projections provided to Commission last year.

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

The Utility completed a full system assessment to obtain baseline conditions of the existing stormwater infrastructure at the end of 2019. As of mid-2022, over 70 urgent repairs of stormwater infrastructure have been completed since 2016, reducing hazards and allowing the conveyance system to function properly, which benefits overall water quality. Twenty-five tide gates have been installed preventing the flow of tidal waters into the conveyance system, which is both a safety and an infrastructure improvement. Other completed work includes administrative efforts to create policies that guide Utility work, billing system, and support to tenants and Port business units to comply with stormwater regulations.

Several capital projects were completed to replace poorly functioning stormwater infrastructure and to purchase large equipment (e.g., closed-circuit television truck, vacuum truck, grout truck) that support this work. In 2021, the Utility completed its first strategic plan, which included feedback from Port, NWSA, and external tenant stakeholders. The Strategic Plan memorializes a vision and mission for the Utility to prioritize our work for five years (2021-2025). This plan is intended to help better serve customers and ensure a resilient Utility while supporting the Maritime industry. There are six goals with strategies and specific tasks to support the guiding principles defined in the mission and vision statements.

The projected expense and capital budgets in 2023 total approximately \$7 million, which will be necessary to:

Meeting Date: October 25, 2022

- Perform system assessments to monitor known conditions and be proactive in asset management, i.e., monitor and repair before failure;
- Repair damaged stormwater pipes and infrastructure;
- Perform required regulatory stormwater management activities such as catch basin inspections and sweeping;
- Perform additional stormwater management activities that enhance water quality protection, such as dock cleaning and plaza washing;
- Evaluate and implement two to three green or innovative stormwater treatment systems;
- Implement technology to support mobile field inspection solutions;
- Implement dashboard for real-time data analysis of Stormwater Infrastructure Asset Management System;
- Implement scoring matrix including equity, diversity and inclusion considerations to prioritize infrastructure work;
- Implement year 3 of the strategic plan;
- Initiate planning and research for in-depth climate change/resilience study of stormwater infrastructure;
- Complete the current capital program portfolio including pipe rehabilitation and drainage improvements; and
- Cover operational and administrative expenses including staff costs, utility taxes and Port allocations.

**Rate Criteria:** The following criteria were used in considering the proposed 2023 rate:

1. Maintain adequate budget to meet or exceed stormwater regulatory requirements, the Port’s Environmental Long-Range Plan, and Utility Charter responsibilities including rehabilitation of stormwater infrastructure.
2. Continue adequate funding to maintain and improve a high functioning stormwater system to benefit the water quality of the Puget Sound.
3. Maintain a 6-month fund reserve for financial prudence consistent with Port policy and best practices.
4. Maintain  consistent rate increase over the 6-year projection.

### **Schedule**

The Utility advisory committee reviewed and approved the rate recommendation in early August 2022. This committee consists of Port and NWSA operations, real estate, property management and finance leaders. The Utility does not explicitly seek external input, consistent with other public drainage utilities, but relies on the committee’s expertise to reflect customer needs and priorities. The public notice for Commission approval seeks public input similar to the City Council approval process for municipal utilities. If approved by the Commission, the 2023 rates will be adopted by the Utility effective January 1, 2023. The Utility notifies tenants of the upcoming rate change following adoption. Tenants can dispute billing fees at any time by contacting Utility staff, and a decision would be made within 60 days of receipt of the dispute.

Meeting Date: October 25, 2022

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1 – Increase rates by 3%**

Cost Implications: Projected revenue in 2023 will be \$6.97M

Pros:

- (1) Lowest 2023 financial impact to tenants, NWSA and Port business units than preferred alternative.
- (2) Continue lower rate to support economic recovery.

Cons:

- (1) Higher average rate change compared to preferred alternative, projecting an average of 4.9% over a 6-year period. This alternative assumes a rate increase of 6.5% in 2024 to 2026 to meet increased capital spending, with a lower rate increase of 3.5% in 2027 and 2028.
- (2) Not a consistent annual change, which may make it more difficult for customers to budget.

This is not the recommended alternative.

**Alternative 2 – Increase rates by 4.6%**

Cost Implications: Projected revenue in 2023 will be \$7.08M

Pros:

- (1) Lowest average rate change over the next six years, projecting an average of 4.6% through 2028 to conduct our project stormwater work and maintain recommended fund reserve balance.
- (2) Steady projected rate change of 4.6% over the next six years allows customers to better plan for budget changes.
- (3) Funds critical capital investments to meet Century Agenda goals and exceed regulatory requirements.

Cons:

- (1) Slightly higher fees for tenants, NWSA and Port business units in 2023 than alternative.

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

**FINANCIAL IMPLICATIONS**

All revenue collected by the Utility is separate from the Port's general funds and must be spent on or for the benefit of the Port stormwater system. The proposed rate increase has several positive implications including:

- Maintain funding for critical stormwater infrastructure improvements,
- Build a six-month fund reserve as sound fiscal policy consistent with standard Port procedure,

Meeting Date: October 25, 2022

- Reduce operating costs funded by Port business units and tenants by funding stormwater related maintenance activities, and

**ADDITIONAL BACKGROUND**

The Utility maintains a separate accounting fund, known as the stormwater utility fund, to conduct all business. This fund is separate from the Port general funds and cannot be used for any purpose other than administering, operating, maintaining, and improving the Port's stormwater system. The Utility may borrow money from the Port funds as needed, provided that such funds are paid back in full to the originating funds.

The stormwater utility will evaluate whether a periodic 2-to-3-year rate review and approval cycle would be more efficient than the current annual rate review and approval cycle. Currently the advisory committee meets annually to review and discuss proposed rate changes, which then go to Commission for approval. Changing the annual review to every 2 or 3 years, based on a 6-year rate evaluation, will be evaluated in 2023, and if prudent, be proposed as a change in future.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- September 14, 2021 – The Commission approved Marine Stormwater Utility Rates for 2022.  
October 27, 2020 – The Commission approved Marine Stormwater Utility Rates for 2021.  
October 8, 2019 – The Commission approved Marine Stormwater Utility Rates for 2020.  
October 9, 2018 – The Commission approved Marine Stormwater Utility Rates for 2019.  
November 14, 2017 – The Commission approved Marine Stormwater Utility Rates for 2018.  
November 18, 2014 – Commission approved Resolution No. 3696, as amended, Authorizing Stormwater Utility Formation, included utility rates for 2015 through 2017.

# Marine Stormwater Utility 2023 Rate Adoption

October 25, 2022

Sarah Ogier, Director, Maritime Environment & Sustainability

Jane Dewell, Senior Manager, Marine Stormwater Utility



# Action Requested

- Request Commission authorization of 4.6% rate increase in 2023 to fund Marine Stormwater Utility
- Rate criteria includes:
  - Maintain adequate budget to meet Port's Long-range Plan and Utility Charter responsibilities
  - Continue investment to maintain and improve a high functioning stormwater system to protect water quality
  - Maintain a 6-month fund reserve consistent with Port policy and best practices
  - Maintain consistent rate over the 6-year projection



# Stormwater Utility Operating Budget

\$ in 000's	2021 Actual	2022 Approved Budget	2022 Forecast	2023 Estimated Budget
Revenue	6,260	6,768	6,768	7,082
Expenses				
SWU Admin	1,902	2,675	2,675	2,857
Maintenance	2,622	3,592	3,592	3,461
Total Expense	4,544	6,266	6,266	6,333
Capital Program	347	1,130	1,130	1,065

# 2023 Proposed Annual Rates

Stormwater Rate Category	City 2023 <i>Rates are shown as \$ per 1000 sq ft</i>	Port 2023	Port rate % lower than City
Undeveloped (0 – 15% Impervious)			
Regular Impact	\$57.54	\$43.13	33%
Low Impact	\$33.35	\$25.25	32%
Light ( 16 – 35% Impervious)			
Regular Impact	\$85.40	\$66.69	28%
Low Impact	\$66.38	\$52.46	27%
Medium (36 – 65% Impervious)			
Regular Impact	\$118.79	\$96.87	25%
Low Impact	\$96.03	\$77.92	25%
Heavy ( 66 – 85% Impervious)	\$157.22	\$129.97	23%
Very Heavy (86 – 100% Impervious)	\$187.32	\$153.73	24%

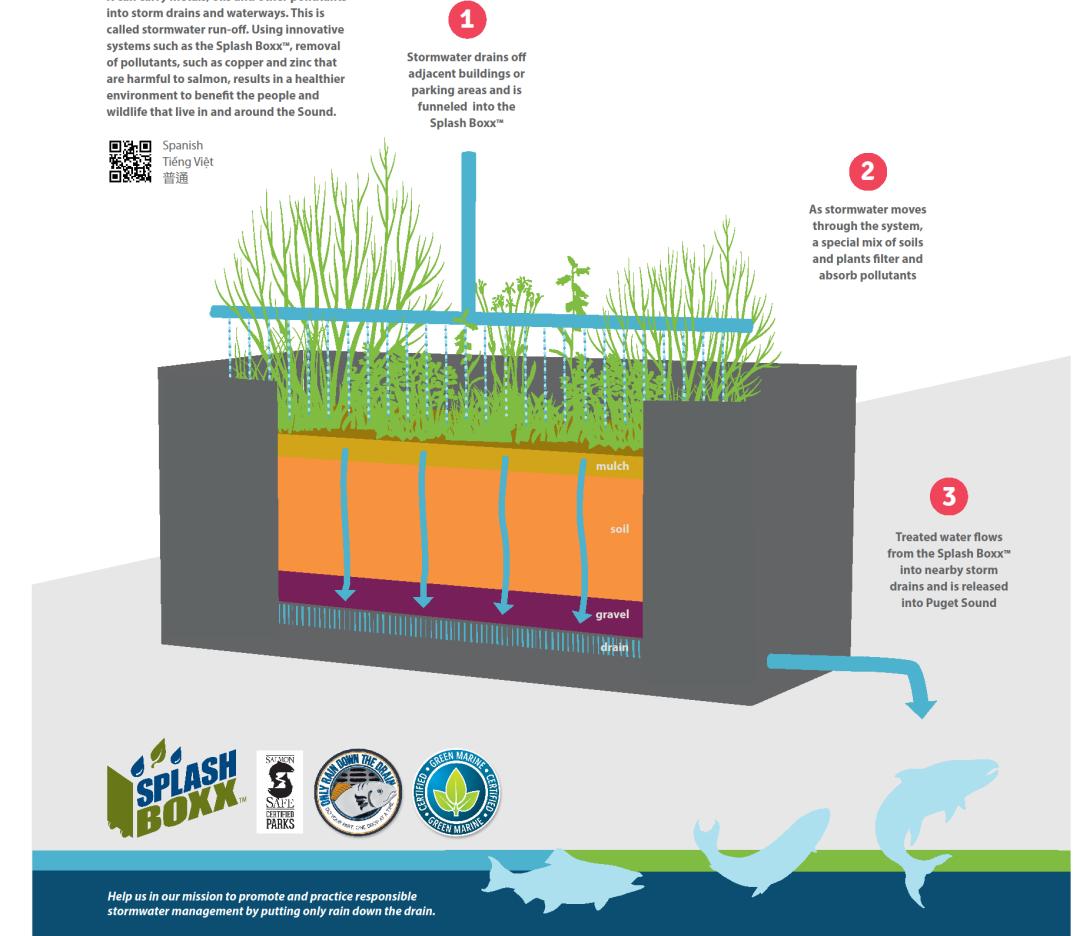
# Key Accomplishments

- 2021-2025 Strategic Plan
  - Track equity goals
  - Implement record-keeping efficiencies
  - Plans for green stormwater infrastructure
- Asset Management & Stewardship
  - Rehabilitation priorities
  - Trenchless construction technologies
  - PCB cleanup at Terminal 106/South Nevada Street
- Stormwater Innovations
  - Oyster Shell Barrels & Splash Boxx
  - Responsible Dock Washing

## Splash Boxx™

The Port of Seattle is working hard to protect and improve Puget Sound's water quality. When rain runs off of buildings and pavement, it can carry metals, oils and other pollutants into storm drains and waterways. This is called stormwater run-off. Using innovative systems such as the Splash Boxx™, removal of pollutants, such as copper and zinc that are harmful to salmon, results in a healthier environment to benefit the people and wildlife that live in and around the Sound.

Spanish  
Tiếng Việt  
普通



# Request Adoption of 2023 Rate

Questions?





**COMMISSION**  
**AGENDA MEMORANDUM**

**ACTION ITEM**                      **Item No.**                      8h

**Date of Meeting**                      October 25, 2022

**DATE:** October 18, 2022

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

**FROM:** Eileen Francisco, Director Aviation Project Management  
Laurel Dunphy, Director Airport Operations  
Matt Breed, ICT Chief Information Officer

**SUBJECT: 2023 Airfield Projects (CIP# C800930, C801177, C800844, C801237, C801171)**

**Amount of this request:** \$67,153,000

**Total estimated cost of projects:** \$255,945,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise, execute two separate construction contracts, and transfer budget/authorization, as necessary, among the 2023 Airfield Projects; (2) procure long lead items; (3) include a Project Labor Agreement for both contracts; (4) authorize use of Port crews for abatement work; (5) increase the budget for the Perimeter Intrusion Detection System Program by \$5,400,000 for a total project budget of \$34,045,000; and (6) increase the budget for the Secured Area Vehicle Checkpoint Project by \$400,000 for a total project budget of \$4,700,000.

The amount of this authorization request is \$67,153,000. The total estimated cost for all projects included in this authorization is \$255,945,000.

**EXECUTIVE SUMMARY**

These two construction contracts are comprised of multiple interdependent Capital Improvement Projects (CIP). These projects have overlapping work areas and design functionality, interdependent operational impacts, and share 2023 schedule milestones. As such they were planned, designed, and phased to be delivered concurrently for purposes of Airfield safety, efficiency, and minimization of operational impacts. Construction Contract #1 encompasses federally funded pavement and utility infrastructure while Construction Contract #2 consist of all other airfield project work in 2023.

Meeting Date: October 25, 2022

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

CIP Name/#	Amount of this Request	Total Estimated Project Cost
2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program C800930	\$27,700,000	\$153,500,000
Airfield Utility Improvements C801177	\$4,600,000	\$46,200,000
Perimeter Intrusion Detection System C800844	\$23,200,000	\$34,045,000
Snow Storage Expansion C801171	\$7,553,000	\$17,500,000
Secured Area Vehicle Checkpoint Project C801237	\$4,100,000	\$4,700,000
<b>Total</b>	<b>\$67,153,000</b>	<b>\$255,945,000</b>

### **JUSTIFICATION**

The collection of projects being co-delivered via the 2023 Airfield Construction Contracts consist of a variety of physically and functionally interdependent Capital Improvements designed to renew and replace failing infrastructure, ensure continued operational safety and security, and meet SEA's regulatory requirements. The purpose of each project (CIP) is summarized below:

- The 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program is an ongoing program of airfield pavement replacement and is required to provide safe and efficient conditions for aircraft operations and meet Federal Aviation Administration (FAA) requirements.
- Airfield Utility Improvement (AUI) is an ongoing project to replace aging, failing, and over-capacity utility systems serving the existing terminal and apron areas.
- The Perimeter Intrusion Detection System (PIDS) project will enhance the airport perimeter security to ensure public safety and improve operational efficiencies through use of technology and automation. PIDS will also provide power and communication infrastructure in currently undeveloped areas around the airport security perimeter. The additional budget ask is driven by the following:
  - Design evolution and additional scope items
  - Integration of Utility Master Plan elements
  - Department of Revenue ruling
  - Construction inflation
- The Snow Storage Expansion project increases snow storage capacity which will meet the operational and FAA certification needs, based on historical snow events. Snow storage meltwater will flow to the Industrial Wastewater System (IWS), meeting regulatory requirements.

Meeting Date: October 25, 2022

The Secured Area Vehicle Checkpoints Project (SAVCP) will provide the infrastructure and equipment required to support the overall security posture at the airport. The two vehicle checkpoints will provide the bookends that will secure the terminal area. The additional budget ask is primarily driven by design evolution.

### **Diversity in Contracting**

The project staff, in coordination with the Diversity in Contracting Department, have set goals for both contracts. Airfield Contract #1 is federally funded work and will include an 8% Disadvantaged Business Enterprises (DBE) goal. Contract #2 is not federally funded and as such will include a 14% Woman and Minority Business Enterprise (WMBE) aspirational goal. These goals are based upon the projects' scopes of work, and baseline availability of certified DBE and WMBE businesses to perform the work under the two separate contracts.

### **DETAILS**

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

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

### **Scope of Work**

The 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program replaces distressed airfield pavements, joint sealant, and supporting infrastructure at the Airport. Airfield work under this program in 2023 includes taxilane pavement and drainage work at A, D, and S Concourses, extension of a mid-airfield power ductbank, and installation of over height vehicle warning bars to protect the Runway 16R FAA approach lighting system.

The AUI project is a three-year project to replace aging, failing, and over-capacity utility systems serving the existing terminal and apron areas. The 2023 AUI scope is located on the airside of the S and A Concourses and includes sanitary sewer, domestic water, power, and the Industrial Wastewater System (IWS). Staff will procure long lead items including ductile iron and PVC pipes for sewer, water system and IWS.

The PIDS project will install power and communication infrastructure and deploy technology to monitor, track, and rapidly respond to security threats along the identified airfield perimeter. The infrastructure components of this project are collocated and interdependent with the work elements within the other 2023 Airfield projects.

The Snow Storage Expansion project expands the laydown area available for stockpiling and managing snow on the airfield during winter storm events. Airfield work under this program in 2023 includes expansion and infrastructure improvements of the existing north and south snow

Meeting Date: October 25, 2022

storage areas, as well as widening of the perimeter roadway for safe transit of snow removal equipment.

The SAVCP will add vehicle gate arms and security screening equipment at the north and south ends of the terminal secured area to ensure that only approved vehicles have access to that area of the airfield.

## Schedule

### Activity

Construction Contract #	Contract #1	Contract #2
Commission construction authorization	2022 Quarter 4	2022 Quarter 4
Construction starts	2023 Quarter 2	2023 Quarter 1
In-use date	2023 Quarter 4	2023 Quarter 4

### Cost Breakdown

	This Request	Total Project
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<b>2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Prog. (C800930)</b>		
Design	\$0	\$16,000,000
Construction	\$27,700,000	\$137,500,000
Total	\$27,700,000	\$153,500,000
<b>Airfield Utility Improvements (C801177)</b>		
Design	\$0	\$6,595,200
Construction	\$4,600,000	\$39,604,800
Total	\$4,600,000	\$46,200,000
<b>Perimeter Intrusion Detection System (C800844)</b>		
Design	\$400,000	\$3,025,000
Construction	\$22,175,000	\$22,875,000
Technology	\$625,000	\$8,145,000
Total	\$23,200,000	\$34,045,000
<b>Snow Storage Expansion (C801171)</b>		
Design	\$0	\$2,794,000
Construction	\$7,553,000	\$14,706,000
Total	\$7,553,000	\$17,500,000
<b>Secured Area Vehicle Checkpoint (C801237)</b>		
Design	\$0	\$600,000
Construction	\$4,100,000	\$4,100,000
Total	\$4,100,000	\$4,700,000

## ALTERNATIVES AND IMPLICATIONS CONSIDERED

Meeting Date: October 25, 2022

**Alternative 1** – Proceed only with federally funded 2023 Contract #1 Airfield work including: the Airfield Pavement and Supporting Infrastructure Replacement Program and the Airfield Utility Improvements. Do not proceed with the project scope in 2023 Contract #2 including extension of a mid-airfield power ductbank, installation of over height vehicle damage protection bars, installation of secured area vehicle checkpoints, expansion of snow storage area, and installation of PIDS infrastructure and technology.

Cost Implications: \$28,369,000 in Capital Cost for 2023 Contract #1 plus \$5,381,000 in unanticipated expense cost for the uncompleted 2023 Contract #2 projects.

Pros:

- (1) Reduced capital spending in 2023.
- (2) Less construction impacts to airport/airline operations in 2023.
- (3) Grant funded renewal and replacement work still proceeds.

Cons:

- (1) Risk of damaging Runway 16R FAA approach lighting system by over height vehicles, future repairs will likely include replacing sections of the bridge, causing significant impacts to airfield operations.
- (2) No ability to provide continuous 24/7/365 monitoring, real-time alerting, identification and coordinated response to intrusion(s). Higher operating cost for additional FTE and increased vehicle maintenance due to increased patrols.
- (3) Unable to achieve the Aviation Master Security Plan goals and objectives.
- (4) Continuing concern for the Airport's National Pollutant Discharge Elimination Systems (NPDES) permit noncompliance when snow is stored outside of the IWS basin.
- (5) Regulatory compliant snow storage within IWS basins will need to displace aircraft positions.

This is not the recommended alternative.

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

Cost Implications: The Estimated amount of additional capital costs for delivering the projects by individual construction contracts is \$4,500,000 more than delivering via two major construction contracts as propped by the recommended alternative.

Pros:

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

Cons:

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

Meeting Date: October 25, 2022

This is not the recommended alternative.

**Alternative 3 – Move forward to construct all 7 projects as a single coordinated effort.**

Cost Implications: \$67,153,000

Pros:

- (1) Reduces safety risks, minimizes operational impacts and increases efficiencies as coordination and construction is managed as a single effort.
- (2) Minimizes time to completion, limiting exposure to future cost increases, while delivering benefits expeditiously.
- (3) Programmatic replacement of aged and distressed pavements and related infrastructures. Ensures regulatory compliance and adaption of full employee screening of the terminal area, in addition to meeting AV Security goals and objectives.
- (4) Snow storage capacity increases, and meltwater will flow to the IWS, meeting regulatory requirements, while reducing annual operating costs.
- (5) Mitigate the risk of the FAA's approach lighting system being struck by over height vehicles.

Cons:

- (1) Earlier capital spending in 2023.
- (2) Additional accounting complexity during construction.

**This is the recommended alternative.**

**FINANCIAL IMPLICATIONS**

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

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$155,740,000	\$560,000	\$156,300,000
Previous changes – net	(\$2,800,000)	\$0	(\$2,800,000)
Revised estimate	\$152,940,000	\$560,000	\$153,500,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$78,935,000	\$260,000	\$79,195,000
Current request for authorization	\$27,600,000	\$100,000	\$27,700,000
Total authorizations, including this request	\$106,535,000	\$360,000	\$106,895,000
Remaining amount to be authorized	\$46,405,000	\$200,000	\$46,605,000

Meeting Date: October 25, 2022

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

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$34,592,000	\$0	\$34,592,000
Current change	\$11,608,000	\$0	\$11,608,000
Revised estimate	\$46,200,000	\$0	\$46,200,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$6,595,200	\$0	\$6,595,200
Current request for authorization	\$4,600,000	\$0	\$4,600,000
Total authorizations, including this request	\$11,195,200	\$0	\$11,195,200
Remaining amount to be authorized	\$35,004,800	\$0	\$35,004,800

**Perimeter Intrusion Detection System  
(C800844) - Cost Estimate/Authorization  
Summary**

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$10,000,000		\$10,000,000
Previous changes – net	\$18,500,000	\$145,000	\$18,645,000
Current change	\$5,300,000	\$100,000	\$5,400,000
Revised estimate	\$33,800,000	\$245,000	\$34,045,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$10,000,000	\$145,000	\$10,145,000
Current request for authorization	\$23,100,000	\$100,000	\$23,200,000
Total authorizations, including this request	\$33,100,000	\$245,000	\$33,345,000
Remaining amount to be authorized	\$700,000	\$0	\$700,000

**Snow Storage Expansion (C801171) - Cost  
Estimate/Authorization Summary**

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$17,500,000	\$0	\$17,500,000
Previous changes – net	\$0	\$0	\$0
Current changes - net	-\$50,000	\$50,000	\$0
Revised estimate	\$17,450,000	\$50,000	\$17,500,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$2,794,000	\$0	\$2,794,000
Current request for authorization	\$7,553,000	\$50,000	\$7,603,000
Total authorizations, including this request	\$10,347,000	\$50,000	\$10,397,000

Meeting Date: October 25, 2022

Remaining amount to be authorized	\$7,103,000	\$0	\$7,103,000
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**Secured Area Vehicle Checkpoint Project  
(C801237) - Cost Estimate/Authorization  
Summary**

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$1,800,000	\$0	\$1,800,000
Previous changes – net	\$2,500,000	\$0	\$2,500,000
Current change	\$350,000	\$50,000	\$400,000
Revised estimate	\$4,650,000	\$50,000	\$4,700,000
AUTHORIZATION			
Previous authorizations	\$600,000	\$0	\$600,000
Current request for authorization	\$4,050,000	\$50,000	\$4,100,000
Total authorizations, including this request	\$4,650,000	\$50,000	\$4,700,000
Remaining amount to be authorized	\$0	\$0	\$0

**Annual Budget Status and Source of Funds**

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

This project was included in the 2022-2026 capital budget and plan of finance with a budget of \$152,940,000. This project has a Majority-In-Interest approval from the airlines in January 2020. The funding sources will be the Airport Development Fund, AIP grants, and revenue bonds.

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

This project was included in the 2022-2026 capital budget and plan of finance with a budget of \$46,200,000. This project has a Majority-In-Interest approval from the airlines in September 2021. The funding sources would be Airport Development Fund and Airport Revenue Bonds.

**Perimeter Intrusion Detection System (PIDS) – (CIP 800844)**

This project was included in the 2022-2026 capital budget and Plan of Finance for \$28,500,000. The capital budget increase of \$5,300,000 was transferred from the Aeronautical Allowance #C800753 (\$3,650,000) and the Utility Master Plan Allowance #C801267 (\$1,650,000) resulting in zero net change to the Aviation capital budget. The funding sources would be Airport Development Fund and Airport Revenue Bonds. The additional \$245,000 expense budget for training will be budgeted in 2023 - 2024. This project has a Majority-In-Interest (MII) approval from the airlines on March 28, 2019 in the

Meeting Date: October 25, 2022

amount of \$10 million. Per Signatory Lease Operating Agreement, Port Management has the discretion to utilize the MII Management Reserve for the budget increase.

#### Snow Storage Expansion - (CIP C801171)

This project was included in the 2022-2026 capital budget and plan of finance with a budget of \$17,500,000. The funding sources would be Airport Development Fund and revenue bonds. This project has a Majority-In-Interest (MII) approval from the airlines on October 20, 2021.

#### Secured Area Vehicle Checkpoints (SAVCP) - (CIP C801237)

Included in the 2022-2026 capital budget and plan of finance with a budget of \$1,800,000. A budget increase of \$2,500,000 was transferred from the Aeronautical Reserve CIP C800753 resulting in zero net change to the Aviation capital budget. The funding sources would be Airport Development Fund and revenue bonds.

### **Financial Analysis and Summary**

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

Project cost for analysis	\$153,500,000
Business Unit (BU)	Airfield movement and Airfield apron
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	Total project cost CPE of 0.30 in 2026; annual CPE of .05

#### **C801177 Airfield Utility Improvements**

Project cost for analysis	\$46,200,000
Business Unit (BU)	Airfield movement and airfield apron
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.11 in 2026

#### **C800844 Perimeter Intrusion Detection System**

Project cost for analysis	\$34,045,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.11 in 2025

Meeting Date: October 25, 2022

**C801171 Snow Storage Expansion**

Project cost for analysis	\$17,500,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.06 in 2025

**C801237 Secured Airfield Vehicle Checkpoint**

Project cost for analysis	\$4,700,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.01 in 2025

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

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

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

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

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

## Perimeter Intrusion Detection System (PIDS) – (CIP 800844)

Meeting Date: October 25, 2022

Annual recurring maintenance and license costs estimated at \$140,000, will be budgeted in the Aviation Maintenance operating budget. Port support and spare parts are estimated at \$230,000 annually and will be budgeted in the Aviation Maintenance operating budget.

**Snow Storage Expansion (CIP C801171)**

Aviation Maintenance will see a slight increase in O&M cost for additional pavement surface. However, mechanical and electronic systems will have a renewed asset life with fewer outages and repairs.

**Secured Area Vehicle Checkpoints (SAVCP) - (CIP C801237)**

Aviation Maintenance will see a slight increase in O&M cost for Electrical and Electronic systems, to maintain cameras and access controls and lighting. Mechanical systems maintenance will be required for HVAC for the spaces. Labor hours and materials required will be determined when presented with a clearer scope during the design phase of the project.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS****2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program (CIP C800930)**

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

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

November 10, 2020 – The Commission authorized the Executive Director to (1) advertise and execute a major works construction contract and (2) include a project labor agreement for the replacement of distressed pavements and supporting infrastructure for the 2021 portion of

Meeting Date: October 25, 2022

the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program at the Seattle-Tacoma International Airport. This construction authorization is for \$37,900,000 for a total authorization to date of \$51,395,000. The total 2021-2025 program cost is \$153,500,000.

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

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

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

#### Perimeter Intrusion Detection System (PIDS) – (CIP 800844)

May 24, 2022 – The Commission authorized the Executive Director to increase the Perimeter Intrusion Detection System (PIDS) with Siemens, contract #S-00319688 by \$374,000 to procure hardware, professional and installation services to ensure PIDS redundancy.

December 15, 2020 – The Commission authorized the Executive Director to (1) increase the Perimeter Intrusion Detection System (PIDS) project at Seattle-Tacoma International Airport (SEA) funding by \$18,645,000 for a total estimated project cost of \$28,645,000; (2) expand the PIDS coverage area; (3) execute contracts for required hardware, software, and technical vendor services, license(s) and maintenance; (4) complete design (5) enter into reimbursable agreements with the Federal Aviation Administration (FAA); and (6) execute contract(s) for up to ten years for licenses, service, and maintenance fees estimated not-to-exceed \$4,500,000, which will be paid from the Aviation annual operating budget. The amount requested under this authorization is \$6,625,000 with an estimated total program cost of \$28,645,000.

January 22, 2019 – The Commission authorized \$3,500,000 of a \$10,000,000 CIP to procure and implement a Perimeter Intrusion Detection system with limited coverage scope.

#### Snow Storage Expansion (CIP C801171)

October 26, 2021 – The commission authorized the Executive Director to design and prepare construction documents for the Snow Storage Expansion project at Seattle-Tacoma International Airport (SEA) for a Total Request Amount of \$2,500,000 and a Total Project Authorization of \$2,794,000, and the Estimated Overall Project Cost of \$17,500,000.

Meeting Date: October 25, 2022

**Secured Area Vehicle Checkpoints (SAVCP) - (CIP C801237)**

February 8, 2022 – The Commission authorized the Executive Director to design and prepare construction documents for the Secured Area Vehicle Checkpoints (SAVCP) project at Seattle-Tacoma International Airport (SEA) for \$550,000 out of an estimated total project cost of \$4,300,000.

Item No. 8h supp

Meeting Date: October 25, 2022

# 2023 Airfield Projects (CIP# C800930, C801177, C800844, C801171, C801237)

Seattle-Tacoma  
International Airport



# 2023 Airfield Projects

- Request Commission authorization for the ED to
  - Advertise and execute two separate construction contracts, and transfer budget/authorization, as necessary, among the 2023 Airfield Projects
  - Procure long lead items
  - Include a Project Labor Agreement for both contracts
  - Authorize use of Port crews for abatement work
  - Increase the budget for the Perimeter Intrusion Detection System Program by \$5,400,000 for a total project budget of \$34,045,000
  - Increase the budget for the Secured Area Vehicle Checkpoint Project by \$400,000 for a total project budget of \$4,700,000
- The amount of this authorization request: \$67,153,000

# 2023 Airfield Projects

Two construction contracts are comprised of multiple interdependent Capital Improvement Projects (CIP) with overlapping work areas and design functionality, interdependent operational impacts, and share 2023 schedule milestones.

## Contract #1 - federally funded

- 2023 Airfield Pavement and Supporting Infrastructure Replacement (C800930)
- 2023 Airfield Utility Improvements (C801177)
- DBE Goal – 8%

## Contract #2

- Perimeter Intrusion Detection System (C800844)
- Snow Storage Expansion (C801171)
- Secured Area Vehicle Checkpoint (C801237)
- Cascade Road Ductbank (C800930)
- Over Height Vehicle Damage Protection System (C800930)
- WMBE Goal – 14%

# 2023 Airfield Projects Schedule

Construction Contract #	Contract #1	Contract #2
Commission construction authorization	2022 Quarter 4	2022 Quarter 4
Construction start	2023 Quarter 2	2023 Quarter 1
In-use date	2023 Quarter 4	2023 Quarter 4

# 2023 Airfield Projects Budget

Cost Breakdown	This Request	Total Project
<b>2021-25 Airfield Pavement and Supporting Infrastructure Replacement (C800930)</b>		
Design	\$0	\$16,000,000
Construction	\$27,700,000	\$137,500,000
<b>Subtotal</b>	<b>\$27,700,000</b>	<b>\$153,500,000</b>
<b>Airfield Utility Improvements (C801177)</b>		
Design	\$0	\$6,595,200
Construction	\$4,600,000	\$39,604,800
<b>Subtotal</b>	<b>\$4,600,000</b>	<b>\$46,200,000</b>
<b>Perimeter Intrusion Detection System (C800844)</b>		
Design	\$400,000	\$3,025,000
Construction	\$22,175,000	\$22,875,000
Technology	\$625,000	\$8,145,000
<b>Subtotal</b>	<b>\$23,200,000</b>	<b>\$34,045,000</b>

# 2023 Airfield Projects Budget

Cost Breakdown	This Request	Total Project
<b>Snow Storage Expansion (C801171)</b>		
Design	\$0	\$2,794,000
Construction	\$7,553,000	\$14,706,000
Subtotal	<b>\$7,553,000</b>	<b>\$17,500,000</b>
<b>Secured Area Vehicle Checkpoint Project (C801237)</b>		
Design	\$0	\$600,000
Construction	\$4,100,000	\$4,100,000
Subtotal	<b>\$4,100,000</b>	<b>\$4,700,000</b>
<b>Total</b>	<b>\$67,153,000</b>	<b>\$255,945,000</b>

# Thank You!



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# APPENDIX

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

- Purpose
  - Replaces distressed airfield pavement, joint sealant, related and supporting infrastructure at the Airport to provide safe and efficient conditions for aircraft operations and meet FAA requirements



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

- 2023 Projects & Scope
  - 2023 Airfield Pavement and Supporting Infrastructure Replacement
    - Taxilane pavement and drainage work at S and D Concourses
  - Cascade Road Duct Bank
    - Extension of a mid-airfield power ductbank
  - Over Height Vehicle Damage Protection System
    - Installation of over height vehicle warning bars to protect the Runway 16R FAA approach lighting system

# Airfield Utility Improvements (CIP C801177)

- Purpose
  - Ongoing project to replace aging, failing, and over-capacity utility systems serving the existing terminal and apron areas
- 2023 Scope
  - Located on the airside of the S and A Concourse and includes sanitary sewer, domestic water, power and IWS



# Perimeter Intrusion Detection System (CIP C800844)

- Purpose
  - Enhance SEA security and public safety through technology, protect assets, and support AV Security business and operational goals
  - Provide infrastructure to undeveloped areas on the airfield
- 2023 Scope
  - Build required infrastructure to support an additional layer of security, utilizing technology, to supplement existing operations.



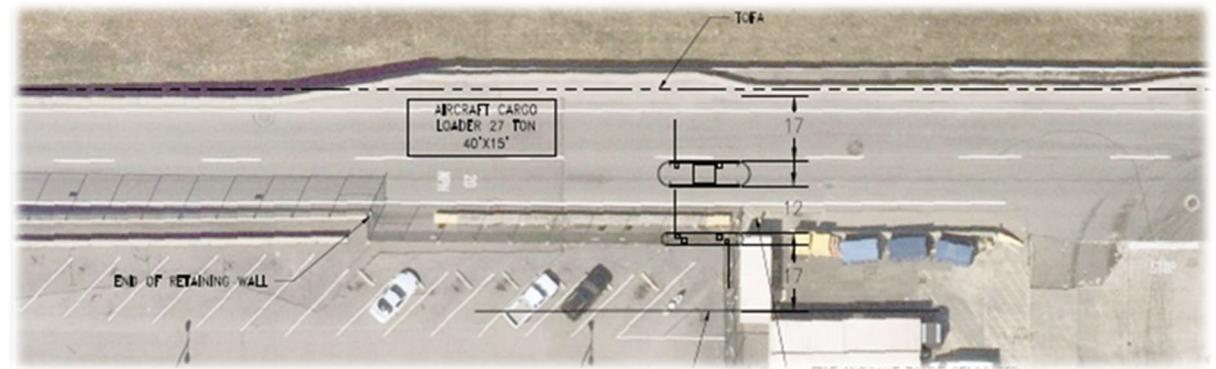
# Snow Storage Expansion (CIP C801171)

- Purpose
  - Increases snow storage capacity to meet need based on historical snow events
  - Snow storage meltwater will flow to the IWS, meeting regulatory requirements
- 2023 Scope
  - Expansion and infrastructure improvements of the existing north and south snow storage areas
  - Widening of the perimeter roadway sections for safe use by snow removal equipment



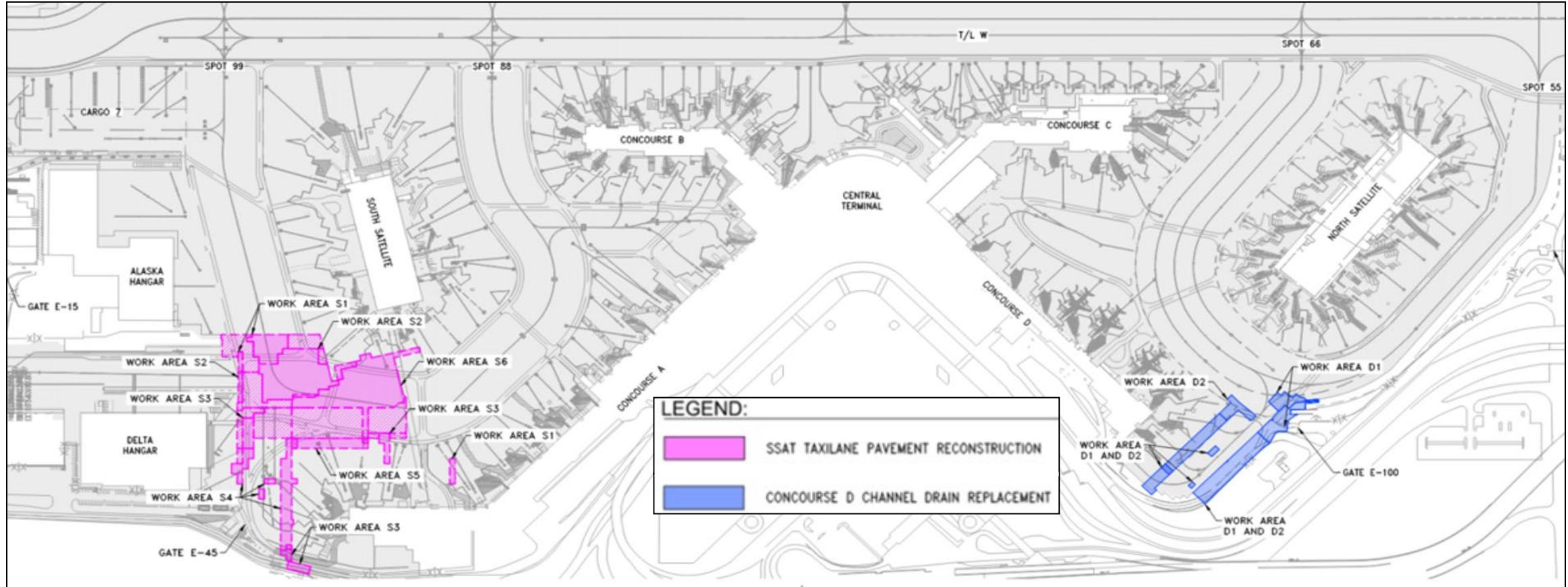
# Secured Area Vehicle Checkpoint (CIP 801237)

- Purpose
  - Provide the infrastructure required for adaptation of full employee screening to the Secured Area of the airfield at the North and South boundaries
- 2023 Scope
  - Add vehicle gate arms and security screening equipment at the north and south ends of the terminal secured area



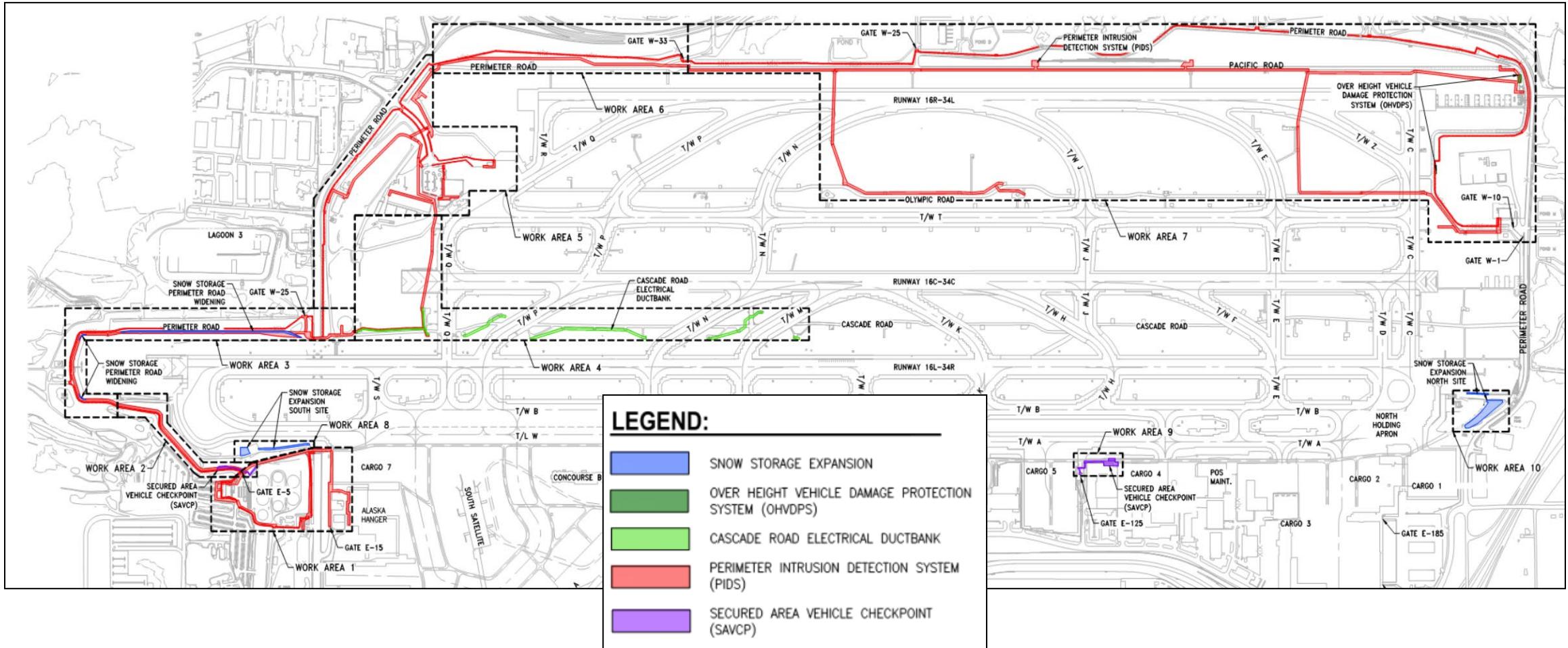
# 2023 Airfield Projects Contract # 1

## Grant Funded Work



# 2023 Airfield Projects Contract #2

## Non-Grant Funded Work



# 2023 Airfield Projects

## Communication & Outreach

- Developed a Communication Plan for the 2023 Airfield construction season to ensure FAA, Air Traffic Tower/Ramp Tower planning, Tenant and Air Carrier awareness
- Included:
  - AAAC Meetings and Airline MII Process
  - Monthly Airline Station Manager Meetings
  - Safety Risk Management Panel
  - Bi-weekly stakeholder meetings with impacted air carriers and tenants

# 2023 Airfield Projects Risks

RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
FAA funding application	For projects with FAA funds, the grant approval need to be received prior to issuing NTP. Any delay by FAA could delay the overall project	Low ●	Low ●	Close coordination with the FAA Region and ADO.
Labor Action	There is a potential that labor and supplier agreement negotiations might impact construction if there is a strike	Low ●	Med ●	Contingency dollars could be used to implement targeted acceleration, as necessary; on-site batch plant for concrete
Weather delays	Potential delay to the overall construction project due to inclement weather	High ●	Med ●	Notice To Proceed cannot be delayed; Contingency dollars will be used for targeted acceleration when weather is favorable
Material Lead Time	Few resources and long lead times for some of the equipment and materials could potentially have impact on the schedule.	High ●	High ●	Self procure low-risk materials (e.g., Manhole cover); Phase projects to maximize lead times for contractor procured and installed segment; Early engagement with suppliers

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

## ACTION ITEM

**Item No.** 10a

**Date of Meeting** October 25, 2022

**DATE:** October 18, 2022

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

**FROM:** Jeff Moken, Interim Director, Aviation Business and Properties  
Eileen Francisco, Director, Aviation Project Management Group

**SUBJECT: SEA Gateway/North Main Terminal Redevelopment Program (C801204) – Phase A  
Supplemental Construction Funding Authorization**

**Amount of this request:** \$159.5 million

**Total estimated project cost:** \$500 million

#### **ACTION REQUESTED**

Request Commission authorization for the Executive Director to 1) increase the program budget to the amount of \$500 million, 2) authorize an additional \$159,500,000 to continue Phase A construction, and 3) execute a Tenant Reimbursement Agreement with Alaska Airlines, Inc. (Alaska) for this portion of the work of the North Main Terminal Redevelopment Program at Seattle-Tacoma International Airport.

## **EXECUTIVE SUMMARY**

Alaska desires to redevelop the north end of the Main Terminal at the Airport to increase passenger throughput and security screening capacity and to improve the overall passenger experience. This request is to authorize an increase of the overall program budget by \$100 million to \$500 million and to authorize an additional \$159.5 million of this amount for Phase A construction. Phase A converts the currently undeveloped Bridge/Promenade level into approximately 24,500 square feet of usable space for Alaska and other Port tenants and also updates other portions of the Main Terminal and associated building systems required to support the buildup of the Bridge/Promenade level.

Since the last Commission authorization, Alaska has continued to refine its customer service program and the new technologies needed to implement it. The Port and Alaska are jointly recommending changes to the earlier Phase A scope of work to achieve alignment with these updated goals. This requires the shifting of some Phase B scope to the Phase A construction scope.

The additional work being added to this request consists of:

Meeting Date: October 25, 2022

- Additional selective demolition and regulated materials abatement on the Ticketing level
- Relocation of three doors on the Ticketing level to facilitate expansion of the window wall to make room for additional Alaska proprietary check-in and bag drop capacity
- Additional baggage handling system modifications
- Additional tenant relocations

The amount of this request is \$159.5 million - \$75 million for additional Phase A construction, \$36 million for Phase B enabling construction, \$27.5 million for associated Port and Alaska staff costs and \$21 million for Port-held program contingency. The current cost estimate for the overall program is \$500 million.

### **JUSTIFICATION**

The ticketing area used by Alaska at the north end of the Main Terminal regularly experiences serious overcrowding during peak departure periods throughout the day and is in critical need of code upgrades and an aesthetic refresh.

Although previous work has been done by Alaska to alleviate passenger queuing and processing gridlock, more than 10 years later the ticketing area is again in need of modernization to address existing and projected passenger volume increases, keep pace with technology advances and improve the overall passenger experience.

The Port anticipates completing similar building system and architectural improvements for the remainder of the ticketing level to the south under the upcoming Main Terminal Improvements Program (MTIP), which is currently in the Program Definition Document phase. Working groups of key Port stakeholders and members of the MTIP team meet regularly with the North Main Terminal Redevelopment team to review changes and updates as the design progresses.

Lastly, with its current staggered screening lane configuration, Security Screening Checkpoint #5 (SSCP#5) has long been unable to accommodate increased passenger volumes, regularly resulting in a processing bottleneck during peak travel periods that creates further delays for departing passengers. A portion of the offices being built as part of this Phase 1 Enabling Work will be replacement for approximately 6,500 square feet of existing offices on the north end of the terminal that will allow Checkpoint #5 to be reconfigured with 6 side-by-side lanes.

This program supports the Port's Century Agenda's strategic goal of "Advancing this region as a leading tourism destination and business gateway" by:

- Continuously improving operational efficiency and customer experience at the Airport.
- Strengthening the competitiveness of the Airport in the regional and global marketplace.
- Meeting the region's air transportation needs by delivering vital facilities and infrastructure in sustainable and cost-effective manner.

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

Meeting Date: October 25, 2022

Diversity in Contracting has established a Women/Minority Business Enterprise (WMBE) goal of 15% for the Port's consultant support procurement. Alaska has separately established a 20% WMBE/SBE goal for their consultant support and for construction.

**DETAILS**

Alaska is completing this work under a multi-phased Tenant Reimbursement Agreement (TRA) using the Progressive Design Build (PDB) project delivery method.

The construction work is currently broken down into two distinct phases.

**Phase A**

- Develop the currently unused Promenade Level for Alaska check-in, bag drop and operations spaces and locations to accommodate most of the tenants that will be displaced during Phase B work
- Buildout existing locations in the Main Terminal to accommodate the remaining tenants displaced during Phase B work
- Modifications/upgrades to existing building systems (HVAC, Baggage Handling, Electrical and Communications Systems etc.) to support the newly built Promenade spaces, to mitigate future operational impacts and control costs in Phase B
- Enabling work on the departures level for the relocation of three Ticketing-level entry doors and associated expansion of Alaska's ticketing areas at the window wall
- Perform ADA upgrades to the ramps at the exit doors on the Baggage Claim level

**Phase B**

- Abatement and demolition of a portion of the Mezzanine Level above Alaska ticketing
- Abatement, demolition, and reconfiguration of Alaska's ticketing in the northern-most section of Main Terminal Ticketing Level
- Reconfiguration of the northern-most Mezzanine level
- Reconfigure SSCP#5 with 6 side-by-side lanes with an enlarged post screening recompose area. The checkpoint is being designed to be able to be quickly expanded to 7 lanes in the future
- Installation of new building systems and providing code upgrades/modifications to existing building systems (smoke control, fire suppression and ADA modifications) to support the reconfigured spaces on the Mezzanine, Ticketing and Baggage Claim levels

The program is finalizing its Sustainable Design Approach (SDA) and staff is preparing to present the SDA to the Sustainability Environment and Climate (SEAC) Committee for acceptance in Q1 2023. A key element of the SDA is for the program to achieve LEED Silver certification for Commercial Interiors.

The Port and Alaska are continuing to refine the overall program budget of \$500 million, including:

Meeting Date: October 25, 2022

- reconciliation of Alaska's estimate with the Port's Independent 3<sup>rd</sup> Party estimate
- agreement for cost-sharing between Alaska and the Port
- agreement on a Final Guaranteed Maximum Price (FGMP) from Alaska by the end of Q4 2022

### ***Schedule***

The PDB project delivery method involves overlap between many of these design and construction milestones, with the result that some activities in both Phase A and Phase B will take place concurrently.

#### ***Activity***

Phase A construction start	2022 Quarter 4
Execution of TRA #3	2022 Quarter 4
In-use date – Phase A	2024 Quarter 1
Commission authorization revised Phase A construction and TRA #4	2022 Quarter 4
Execution of TRA #4	2022 Quarter 4
Commission authorization of Final Guaranteed Maximum Price (FGMP), Phase B construction and TRA #5	2023 Quarter 1
Execution of TRA #5	2023 Quarter 2
Phase B construction start	2023 Quarter 3
Phase B In-Use-Date	2026 Quarter 2

To provide clear project decision points and to ensure there are key concurrence milestones between the Port and Alaska, the reimbursement of project funds to Alaska is projected to happen in phases (as outlined above).

- On April 27, 2021, Commission authorized up to \$10 million for both Alaska and Port costs to complete up to 30% design. A Phase 1 North Main Terminal Redevelopment Agreement (“Design TRA”) was executed by the Port and Alaska to memorialize this.
- On November 9, 2021, Commission authorized an additional \$21.5 million to complete the remaining design of the overall program. This was memorialized as an amendment to the Design TRA.
- On December 14, 2021, Commission authorized an additional \$149.5 million for Phase A construction. Port staff and Alaska continue to negotiate the language for the Phase A (Construction) Reimbursement Agreement – North Main Terminal Redevelopment (“Construction TRA”).
- This request seeks authorization for an additional \$159.5 million to construct the revised scope of Phase A and enabling work to facilitate Phase B construction. It is anticipated that this will either be incorporated into the Construction TRA during negotiations or by amendment.
- We anticipate requesting authorization for the Final Guaranteed Maximum Price (FGMP) and the balance of Phase B construction in Q1 2023, which would be incorporated into the Construction TRA by amendment.

Meeting Date: October 25, 2022

This multi-phased approach allows Alaska to continue to develop work expeditiously, while affording both Alaska and the Port clear project decision points to ensure alignment of scope, schedule, and budget.

<b><i>Cost Breakdown</i></b>	Previous Requests	This Request	Future Request	Program Total
Complete PDD and 30% Design	\$9,000,000	\$0	\$0	\$9,000,000
Design – Phases A and B	\$16,900,000	\$0	\$0	\$16,900,000
Phase A Construction	\$140,500,000	\$0	\$0	\$140,500,000
Phase A Supplemental Construction	\$0	\$75,000,000	\$0	\$75,000,000
Phase B Construction	\$0	\$36,000,000	\$144,200,000	\$180,200,000
Alaska Soft Cost	\$8,500,000	\$12,700,000	\$1,300,000	\$22,500,000
Port Soft Cost	\$6,100,000	\$14,800,000	\$14,000,000	\$34,900,000
Port-held Contingency	\$0	\$21,000,000	\$0	\$21,000,000
Total	\$181,000,000	\$159,500,000	\$159,500,000	\$500,000,000

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Don’t move forward with the Program.

Cost Implications: Potential \$475 million savings

Pros:

- (1) Reduces the Port’s capital expenditure
- (2) Eliminates scope, schedule, and budget uncertainties due to inflation and supply chain disruptions

Cons:

- (1) Does not achieve the desired capacity improvements on the Bridge/Promenade and Ticketing levels or at SSCP#5
- (2) Does not implement desired technology improvements
- (3) Does not address existing code and ADA inadequacies
- (4) Does not provide base building infrastructure upgrades
- (5) Design and other soft cost expenses spent to date [approximately \$25 million] would need to be expensed

This is not the recommended alternative.

**Alternative 2** – Complete only Phase A construction.

Cost Implications: \$304.5 million

Pros:

- (1) Reduces the Port’s capital expenditure
- (2) Eliminates scope, schedule, and budget uncertainties due to inflation and supply chain disruptions

Meeting Date: October 25, 2022

Cons:

- (1) Does not achieve the desired capacity improvement on the Ticketing level or at SSCP#5
- (2) Does not implement desired technology improvements
- (3) Does not address existing code and ADA inadequacies
- (4) Does not provide base building infrastructure upgrades
- (5) Design and soft costs associated with Phase B construction would need to be expensed

This is not the recommended alternative.

**Alternative 3** – Proceed with the full scope of work as described.

Cost Implications: \$500 million

Pros:

- (1) Achieves the desired capacity improvements on the Bridge/Promenade and Ticketing levels and at SSCP#5
- (2) Implements the desired technology improvements
- (3) Addresses existing code and ADA inadequacies
- (4) Provides base building infrastructure upgrades

Cons:

- (1) Risk of continuing scope, schedule, and budget uncertainties due to inflation and supply chain disruptions

*This is the recommended alternative.*

**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Early estimated program cost	\$350 - \$450 million	\$0	\$350 - \$450 million
Current estimated program cost	\$495 million	\$5,000,000	\$500 million
<b>AUTHORIZATION</b>			
Previous authorizations	\$181,000,000	\$0	\$181,000,000
Current request for authorization	\$157,400,000	\$2,100,000	\$159,500,000
Total authorizations, including this request	\$338,400,000	\$2,100,000	\$340,500,000
Remaining amount to be authorized	\$156,600,000	\$2,900,000	\$159,500,000

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

This project, CIP C801204, was included in the 2022-2026 capital budget and plan of finance with a budget of \$400,000,000. A budget increase will be transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget when the Final Guaranteed Maximum Price (FGMP) is available. The funding sources will be revenue bonds and

Meeting Date: October 25, 2022

Airport Development Fund (ADF). This project received Majority in Interest airlines approval on December 13, 2021.

### ***Financial Analysis and Summary***

Project cost for analysis	\$400M - \$500M
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$1.12 - \$1.29 in 2026

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

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

### **ADDITIONAL BACKGROUND**

Over the past 4 months, the Port and Alaska have worked together to refine the baseline scope of work specific to the passenger check-in and bag drop layouts on the Ticketing and Bridge/Promenade levels and have jointly agreed to request authorization to modify the Phase A scope of work during a combined design validation meeting with Port and Alaska stakeholders on August 5, 2022. The following are the key elements included in this recommended modification:

- Relocate three entry doors on the Ticketing-level to enhance the reconfiguration of Alaska's window wall check-in and bag drop areas.
- Retain and reconfigure the existing Alaska check-in and bag drop function along the backwall separating Ticketing and Security Screening Checkpoint #5 (SSCP#5).
- Construct SSCP#5 with 6 screening lanes that is also being designed to quickly expand to an additional 7<sup>th</sup> screening lane when passenger screening volume requires.
  - This expansion will require Alaska to relinquish their check-in and bag drop positions on the Ticketing level adjoining SSCP#5
  - The Port will establish the metric(s) used to determine when this expansion will take place
- Install up to 24 traditional check-in and bag drop positions for Alaska proprietary use on the Bridge/Promenade Level as originally specified in the Project Definition Document.

As well as the additions described above, Phase A construction costs have increased between 8-10%, or \$15 million, due to unprecedeted cost escalation in the construction market. Further, \$20 million of new scope has been included in the overall Program work to address unforeseen infrastructure and building code deficiencies identified during design development, including the addition of new HVAC equipment and a new pump to support the fire suppression system.

Meeting Date: October 25, 2022

Many of the mechanical, smoke control, and fire suppression system upgrades and updated architectural finishes and treatments being incorporated into the design for the North Main Terminal Redevelopment Program will be applied throughout the rest of the facility by the Main Terminal Improvement Program, which is currently in the Project Definition phase.

The ongoing collaboration between these programs will facilitate continuity of systems and updated architectural finishes and treatments throughout the Main Terminal, Ticketing and Baggage Claim Levels.

In addition, this program is also continuing to collaborate on boundary, scope, and schedule coordination with:

- Main Terminal Improvements Program
- Baggage Optimization Program
- Main Terminal Low Voltage Upgrades
- Terminal Security Enhancements

#### **ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

#### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

December 14, 2021 – North Main Terminal Redevelopment Program – Phase 1 Construction Funding Authorization (C801204) which authorized \$149.5 million for construction of the Phase 1 Enabling Work of the North Main Terminal Redevelopment Program at Seattle-Tacoma International Airport, and to execute a third Tenant Reimbursement Agreement with Alaska Airlines, Inc. (Alaska) to complete the Phase 1 construction work. Note, Phase 1 is now known as Phase B.

November 9, 2021 – North Main Terminal Redevelopment Program – Full Program Design (C801204) which authorized \$21.5 million for the remaining design for all phases of the North Main Terminal Redevelopment Program, and execution of a second Tenant Reimbursement Agreement with Alaska Airlines.

April 27, 2021 – North Main Terminal Redevelopment Program – Preliminary Design (C801204) which authorized up to \$10 million in support of the North Main Terminal Redevelopment Program to complete a Project Definition Document, 30% design and to execute a Tenant Reimbursement Agreement with Alaska Airlines.

# SEA Gateway/North Main Terminal Redevelopment Program

## Phase A Construction – Supplemental Funding Request

Jeffrey Moken  
Interim Director, Aviation Business and Properties  
Seattle-Tacoma International Airport

Alan Olson  
Capital Project Manager V  
Aviation Project Management Group



# Requested Action

- Request authorization for the Executive Director to
  1. Increase the program budget to \$500 million
  2. Authorize an additional \$159,500,000 to continue Phase A construction, and
  3. Execute a Tenant Reimbursement Agreement (TRA) with Alaska Airlines.

# Commission Authorization Summary

	Scope	Authorization	Date	
#1	Project Definition Document & 30% Design	\$10 million	4/27/21	
#2	Post 30% Full Program Design	\$21.5 million	11/9/21	
#3	Phase A Construction	\$149.5 million	12/14/21	
#4	Phase A Supplemental Construction	\$159.5 million	10/25/22	THIS REQUEST
#5	FGMP and Phase B Construction	\$159.5 million*	Q1 2023	

**Total Program Authorization**      **\$500 million**

\* Based on current \$500 million program budget estimate

# Program Background

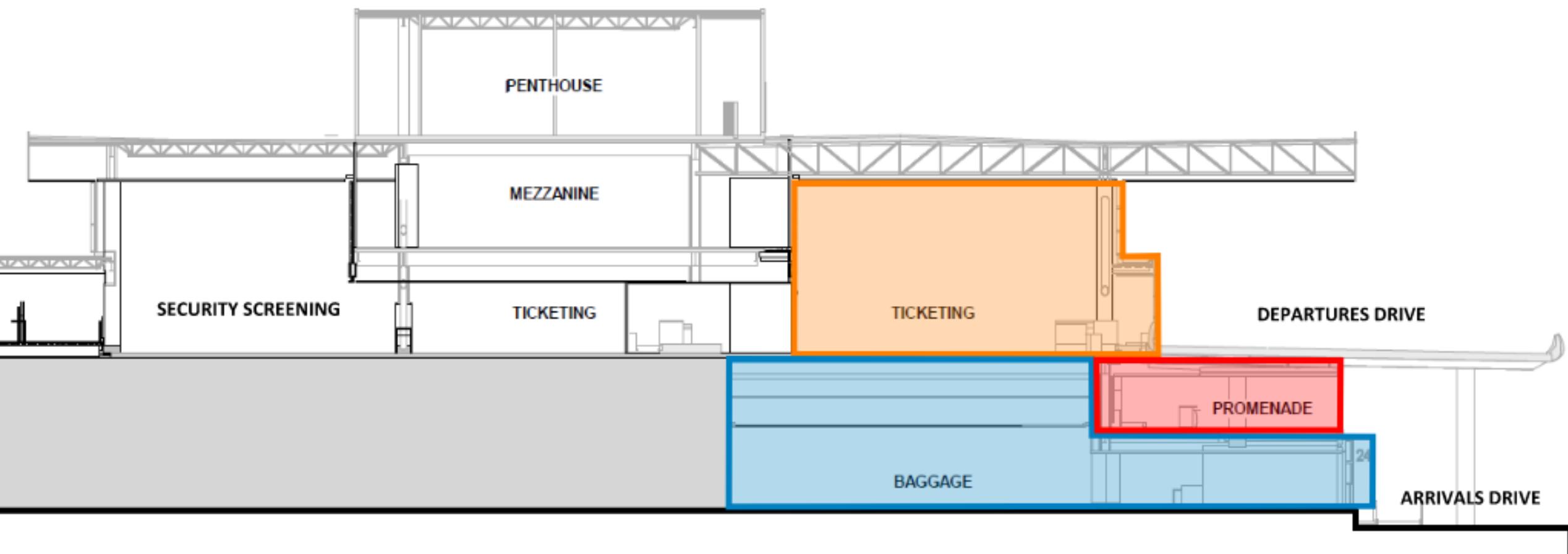
- Alaska and the Port partnering since 2019
- Alaska leads design and construction through a TRA
- Similar improvements in the Main Terminal in the future



# North Main Terminal Redevelopment Program Drivers

- Renewal and Replacement (1980's era)
  - Base Building Infrastructure Systems
  - Updated Architectural Finishes
- Customer Service Enhancements
  - Increased Circulation Space
  - Technology Improvements and Enhancements
  - Security Checkpoint Reconfiguration and Improvements
- Building Code
  - Smoke Control and Fire Sprinklers
- ADA Enhancements

# Main Terminal – Section View



# Departure Level – New Exterior Entrance



# Departure Level – Curbside Check-In



# Ticketing Level Window Expansion



# Baggage Claim



# Arrivals Level – New ADA Ramp



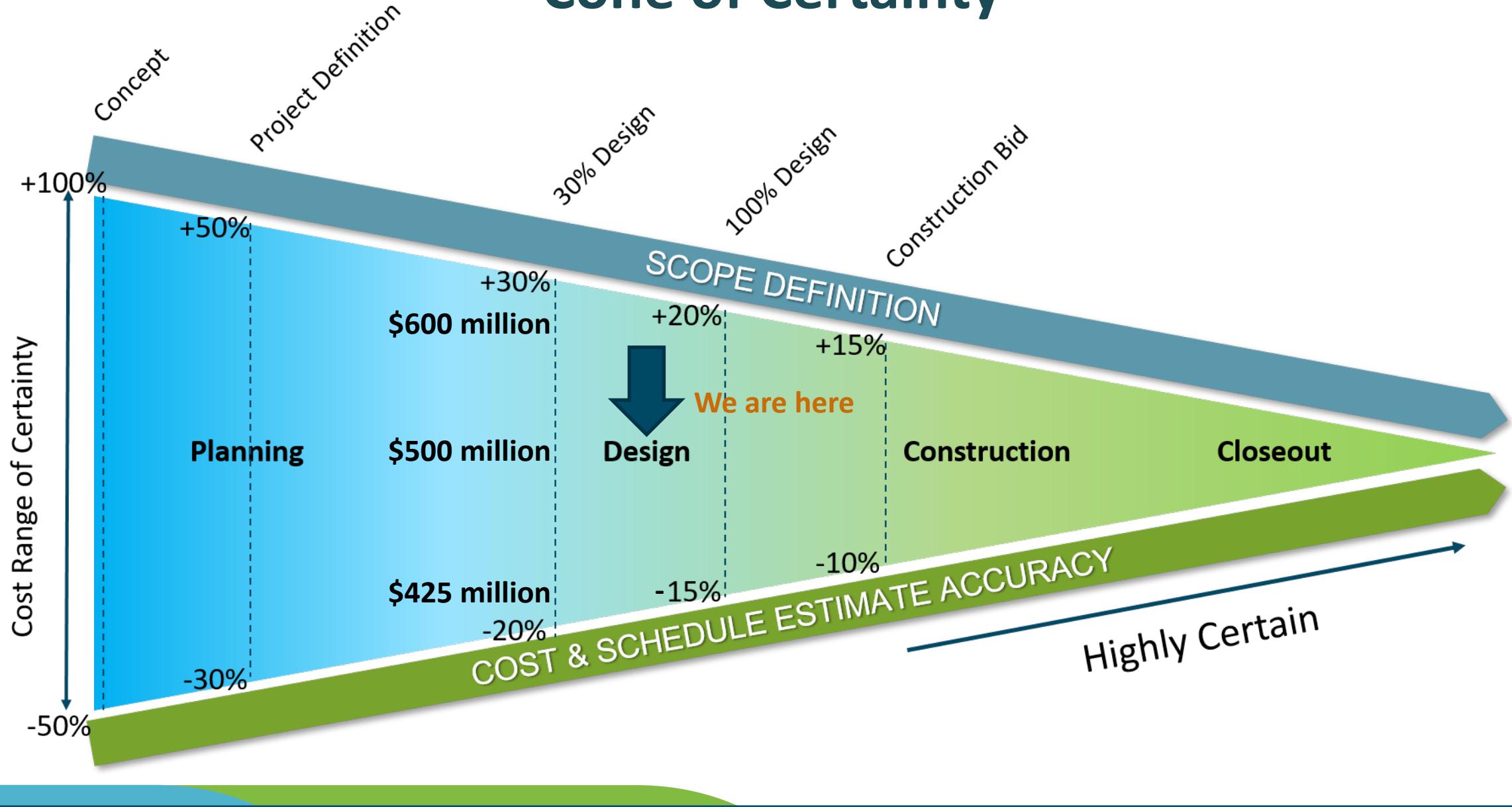
# Baggage Claim Exit – New ADA Ramp



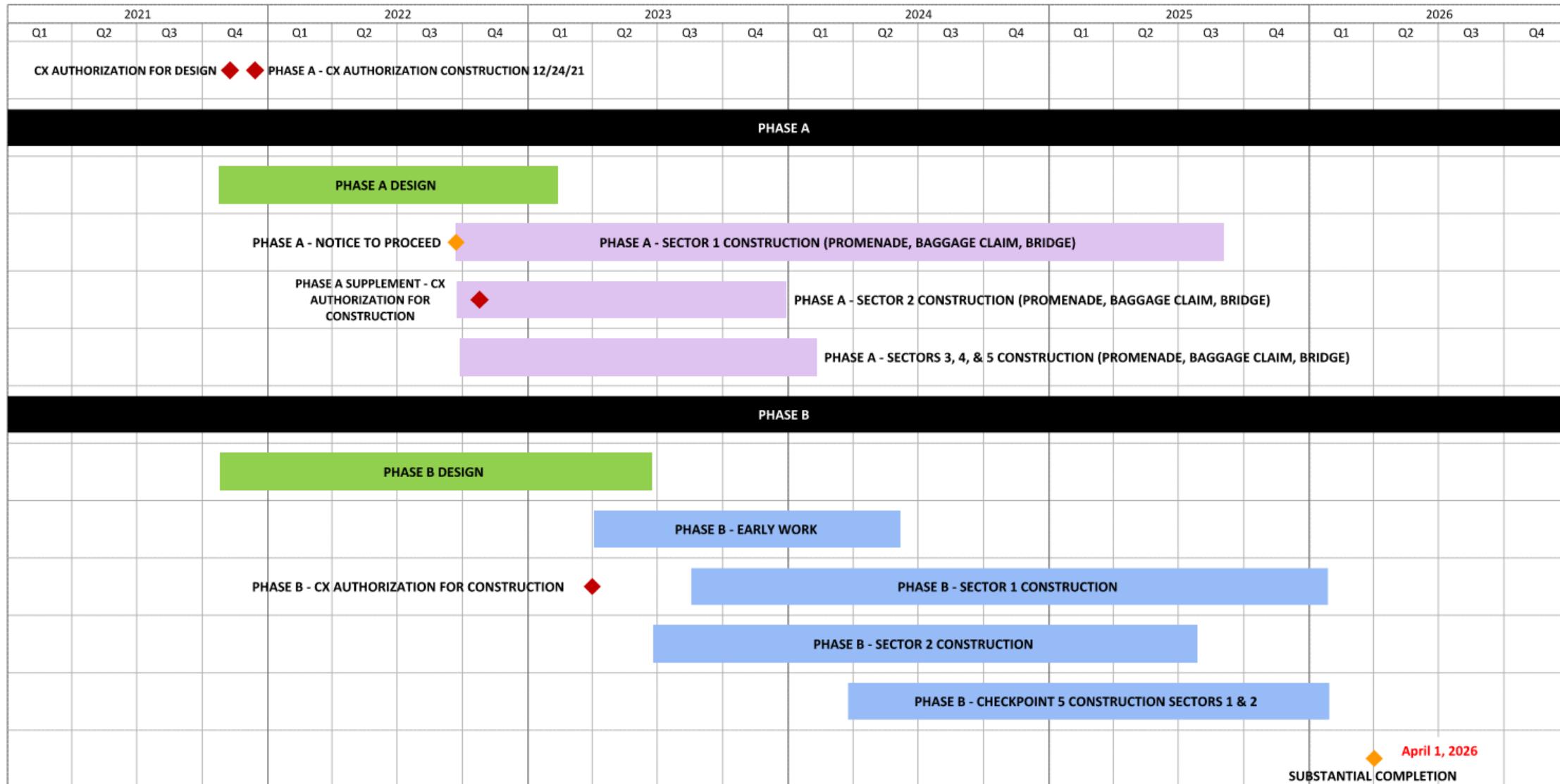
# Bridge/Promenade Level – Check-In & Bag Drop



# Cone of Certainty



# High Level Schedule



# Key Program Risks and Mitigation

Risk	Probability	Impact	Mitigation
<b>Operational Disruption:</b> <ul style="list-style-type: none"> <li>Phased construction requires facility and systems to be taken offline and online during live operations</li> </ul>			<ul style="list-style-type: none"> <li>Hold regular working group meetings with affected stakeholders</li> <li>Provide daily / weekly construction updates to Operations, Customer Service, External Operations and other impacted stakeholders</li> </ul>
<b>Design Evolution:</b> <ul style="list-style-type: none"> <li>Refinement between 30% and Final Design adds cost from original scope assumptions</li> </ul>			<ul style="list-style-type: none"> <li>The design-builder holds a design and estimating contingency to offset these increases</li> <li>Final Guaranteed Maximum Price will be negotiated at the 60% design of Phase B in Q1 2023</li> </ul>
<b>Security Checkpoint #5 Reconfiguration:</b> <ul style="list-style-type: none"> <li>Construction of the reconfigured SCP#5 will result in long-term screening lane closures</li> </ul>			<ul style="list-style-type: none"> <li>Working with AVSEC, Operations and TSA to develop and implement mitigation plans</li> </ul>

High	
Medium	
Low	



# Questions

[RETURN TO AGENDA](#)

**COMMISSION****AGENDA MEMORANDUM**

<b>ACTION ITEM</b>	<b>Item No.</b>	10b
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**DATE :** October 18, 2022**TO:** Stephen P. Metruck, Executive Director**FROM:** Keri Stephens, Director, Aviation Facilities and Capital Programs  
Eileen Francisco, Director, Aviation Project Management**SUBJECT: South Concourse Evolution Project Authorization Request****Amount of this request:** \$100M**Total estimated project cost:** \$1.4B-\$1.7B**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise and execute project specific contracts for project management including Airline Technical Representative (ATR), construction management (CM), design services, and commissioning services to proceed with design of the project, (2) utilize, authorize, advertise, and execute a General Contractor/Construction Manager (GC/CM) contract to proceed with pre-construction services and the delivery of the project, and (3) utilize Port crews for the South Concourse Evolution Project at Seattle-Tacoma International Airport. The total amount of this request is \$100,000,000.

**EXECUTIVE SUMMARY**

The South Concourse Evolution project proposes the renovation of the existing South Concourse, located at Seattle-Tacoma International Airport (SEA), using a multi-phase implementation strategy. The capital improvement project will extend the useful life of the South Concourse and meet current code requirements. This includes structural, seismic, and building system upgrades as well as modernization of passenger spaces. The scope addresses the Port's two-tiered objectives:

- (1) Addressing critical code requirements, including structural and building systems upgrades.
- (2) Providing enhancements to the passenger experience through a repurposing of the existing Federal Inspection Service (FIS) area, Concourse Level renovations, and an expanded Penthouse Level.

Meeting Date: October 25, 2022

**JUSTIFICATION**

The South Concourse Evolution project has completed the Project Definition Document (PDD) and has reached a design milestone of approximately 15% design. The team is ready to assemble its full delivery team and to begin full design and execute the project. This commission action will provide the authorization and funding necessary to progress the project to approximately the 90% design level, at which time the Maximum Allowable Construction Contract value will be determined. The project team will return in the future for further authorizations outside of and beyond this authorization.

**Project Delivery Selection:**

The team has selected an alternate delivery method, GC/CM, for this project. The project team met with stakeholders and analyzed multiple delivery methods and has selected GC/CM as it has proven to be an effective and successful delivery process for the Port as well as other public agencies. This delivery process partners with the designer and the general contractor while allowing the Port to maintain separate contracts throughout the design and construction of the project. Staff are currently developing and preparing to begin procurements for the project management, design, commissioning, and GC/CM contractor teams to kick-off the design phase, a collaborative effort.

**General Contractor/Construction Management Project Specific Contract:**

The GC/CM delivery method will allow for the contractor to be part of the complex design and intricate construction phasing and sequence development that will minimize risk to airport operations, provide the highest level of customer service during construction, and gain earlier insight to and control of construction costs. The GC/CM is anticipated to aid the team with construction techniques, validating the schedule phasing and sequencing, and preparing subcontract packages for the MACC.

**Project Management Project Specific Contract:**

The team is anticipating hiring an external project management firm with expertise in using the GC/CM delivery method and with projects of this scope and complexity. The contract will include a project specific ATR. ATR's have played a critical role in successfully delivering previous mega projects and are recommended to represent the 25 airline carriers that utilize the South Concourse. The project would benefit from having a project specific ATR contract through the life of the project to serve as a liaison between the project and Airlines. Having a dedicated ATR engaged through the life of the project is critical to the success of delivering the project in such ways as decision making, communications, and implementation of plans.

**Construction Manager Project Specific Contract:**

The team plans to bring on board a CM firm that has expertise using the GC/CM delivery method and with projects of this scope and complexity. The firm will assist staff in executing the project from reviewing bid packages, negotiations on schedule and budget for MACC and other bid packages necessary to construct the project, responding to contractor

Meeting Date: October 25, 2022

communication, and assisting the controls teams to provide the necessary metrics to track and predict the schedule and cost trends.

**Design Services Project Specific Contract:**

A project specific design consultant will be procured to provide a comprehensive project design and design support services through the duration of the construction. The design firm selected will include architecture, structure, mechanical, electrical, civil, specialty, and other design professionals to complete an aesthetic and seismically compliant concourse for the port to utilize for many years to come. The design needs to respond to the needs of the infrastructure and airlines while providing an elegant design for the region.

**Commissioning Manager Project Specific Contract:**

The team plans to contract with an independent Commissioning Agent. Staff agree a Commissioning Agent that is independent provides a unique third-party validation that the design and construction meet the commissioning requirements by building code, building commissioning authorities, and best practice. The firm selected is expected to complete the predesign and design commissioning services required to comply with the United States Green Building Council LEED requirements for achieving project certification.

**Port Construction Crews:**

Port construction crews are requested to support the project by providing construction services outside of the major contract work.

This next airport mega project will be a complex, multi-year effort and include regular and robust engagement and communication with Commission, the public, the airlines, tenants, staff, and diverse stakeholders.

**Diversity in Contracting**

This project has been proposed to the FAA as a recipient for federal grant funding; in anticipation of that federal funding, the Port will be following the federal Disadvantaged Business Enterprise (DBE) program guidelines as stated within CFR 49 Part 26, therefore, Federal DBE goals will be set on this project.

**DETAILS**

The South Concourse Evolution project scope includes structural, seismic, and building system upgrades as well as modernization of passenger spaces. The Port's two-tiered objectives, addressing critical code requirements, including structural and building systems upgrades; and providing enhancements to the passenger experience through the lower levels and an expanded Penthouse for Lounges. The following are some focus areas that will be essential to the success of the project as the team progress the design:

- (1) Partnership and collaboration.

Meeting Date: October 25, 2022

- (2) Structural and seismic engineering married with a constructable design concept.
- (3) Passenger flow, comfort, and communication.
- (4) Phasing and sequencing of a constrained site and airport impact.
- (5) Infrastructure resilience.
- (6) Customer service and operational continuity during construction.
- (7) Ability to construct to budget and schedule.
- (8) The desired customer experience of blended holdrooms with dining and retail options.
- (9) Collaborating with numerous public agencies and the community.
- (10) Implementing the evolution of the South Concourse to balance with surrounding terminals.
- (11) Developing the team that can bring forward creative alternatives to reduce the project cost.

The airport is challenged to provide the airlines appropriate services while construction is underway. The project scope and budget has assumed the airport can support a gate outage strategy allowing for a two-phase project. Staff have been exploring different alternatives to provide the best customer experience during construction from an airport wide perspective. The ability of the airport to support this endeavor has not been identified in detail. Temporary and permanent solutions have been proposed but more effort, collaboration and partnership are required with our airline partners, stakeholders, and other programs to assure success with this project. Staff is working on a gating strategy that addresses the airport wide gating and phasing concerns of the airport and airline community.

The project is currently at 15% design. More design development is needed to understand the scope, schedule, budget and sustainability initiatives. Staff conducted the Sustainable Project Assessment and Review Collaboration meeting and developed the Sustainable Design Approach document for the project. Sustainability strategies were identified for further analyses during both PDD development and design, including a total cost of ownership analysis. The project team will evaluate the environmental benefits and total cost of ownership for following strategies:

- (1) Reducing solar heat gain.
- (2) Providing on-site food collection to support our food donation program.
- (3) Installing dishwashing utility connections to encourage reusable service ware.
- (4) Adding power to service new electric vehicle charging stations.
- (5) Reducing embodied carbon in construction materials, specifically concrete.
- (6) Integrating electric cooking to reduce natural gas use.
- (7) Reducing potable water use 10 and 20 percent below 2018 State Plumbing code.
- (8) Achieving LEED Silver Certification at minimum and the feasibility of achieving Gold.

Meeting Date: October 25, 2022

The project team will present the results of these analyses and recommendations to the Commission's Sustainability, Environment And Climate (SEAC) Committee for review and comment prior to 30% design.

***Project Schedule***

The team's near term focus will be on:

- (1) Assembling a full, qualified team of professionals and contractors to deliver this next airport mega project.
- (2) Solidifying the management plans and procedures that will be used to ensure its successful and collaborative execution.

Launch PM Support (including the ATR liaison), Design, GC/CM, and Commissioning team procurements	2022 Quarter 4
Execute Project Management Plan	2023 Quarter 2
Execute contracts for delivery team to start design/pre-construction phase	2023 Quarter 4
Start design/pre-construction phase	2023 Quarter 4

The team's current overall project schedule:

Design complete	2025 Quarter 2
Commission Authorization for MACC	2025 Quarter 2
Early Construction Work	2026 Quarter 3
Construction Phase 1	2029 Quarter 1
Construction Phase 2	2031 Quarter 2
Construction complete	2031 Quarter 4

***Project Budget***

The current estimate is based on the programmatic scope of work defined in the Project Definition Document (PDD), which has a level of detail equivalent to approximately 15% design. The estimated cost includes allowances and contingencies. Project risks, operational mitigations, and environmental objectives will be further developed and are deferred to the design once professionals are on board. The level of detail for the estimate is normal and customary at this stage of the project.

Current Estimate Range: \$1.4B – \$1.7B.

Meeting Date: October 25, 2022

<b>Cost Breakdown</b>	<b>This Request</b>	<b>Total Project</b>
Design Phase	\$100M	\$100M
Construction Phase	\$0	\$1.3B-1.6B
<b>Total</b>	<b>\$100M</b>	<b>\$1.4B-1.7B</b>

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

Various refinements of the 15% design were explored over the last year in preparing this design option to be presented. Port staff has evaluated design options for levels, passenger flow, customer experience of the final building, and the return on investment of non-aeronautical revenues to develop the club and ADR requirements for the project. A summary of different alternatives follows:

**Alternative 1** – A fully developed interior and exterior clerestory system provides for daylighting throughout the concourse and a more refined mass exterior matches the exterior façade areas high roof building mass of the N Concourse and the International Arrivals Facility.

Cost Implications: \$2.2B

Pros:

- (1) Provides for daylighting of the entire concourse level.
- (2) Complies with the business plans of the concourse.
- (3) Meets the program goals for the airport.

Cons:

- (1) Anticipated costs cannot be supported by the business plans for the concourse.

This is not the recommended alternative.

**Alternative 2** – Improve only the critical code requirements, including structural and building systems upgrades.

Cost Implications: \$1B

Pros:

- (1) Complies with the business plans of the concourse.

Cons:

- (1) Does not meet the program goals for the airport.

This is not the recommended alternative.

Meeting Date: October 25, 2022

**Alternative 3** – Complete the project as presented in the PDD document.

Cost Implications: \$1.4B-1.7B

Pros:

- (1) Complies with the business plans of the concourse.
- (2) Meets the program goals for the airport.

Cons:

- (1) Does not fully commit the concourse to daylighting into the center of the facility on the east and center areas.

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

### **FINANCIAL IMPLICATIONS**

The initial placeholder value for the project in 2020 was \$1B, the current estimate range is expected to be \$1.4-1.7B.

<b><i>Cost Estimate/Authorization Summary</i></b>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$1,000,000,000	\$0	\$1,000,000,000
Previous changes – net	\$370,00,000	0	\$370,000,000
Current change		0	0
Revised estimate	\$1.4B - \$1.7B	0	\$1.4B - \$1.7B
<b>AUTHORIZATION</b>			
Previous authorizations	\$2,750,000	0	\$2,750,000
Current request for authorization	\$100,000,000	0	\$100,000,000
Total authorizations, including this request	\$102,750,000	0	\$102,750,000
Remaining amount to be authorized	TBD	\$0	TBD

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

This project, CIP C801203, was included in the 2022-2026 capital budget and plan of finance with a budget of \$1 billion. A budget increase of \$370,000,000 was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding source would be revenue bonds, Airport Development Fund (ADF), and the Bipartisan Infrastructure Law (BIL) grant funding through the FAA-AIP program.

### ***Financial Analysis and Summary***

Business Unit (BU)	Terminal Building	Terminal Building
Project cost for analysis	\$1.4B	\$1.7B
Infrastructure grants	\$250M	\$250M
NPV incremental to Base	\$(4.8)M	\$(136)M

Meeting Date: October 25, 2022

Non-aero cashflow in 2031	\$ (5.4)M In year 2038	\$ (12.5)M In year 2044
CPE Impact in 2031	\$ 2.24	\$ 2.92

The financial analysis looked at the implications of this project on both the aeronautical and non-aeronautical businesses. For the aeronautical business, this project will add significant costs (primarily debt service on the bonds to fund the project) to the airline rate base, resulting in an increase to the passenger airline cost per enplaned passenger (CPE). The project will also allocate significant costs to the non-aeronautical business as a result of the space attributable to airport dining and retail. The table above shows a net present value (NPV) of the incremental net revenues compared to the costs for the non-aero business. At \$1.4 billion, the NPV is slightly negative. At \$1.7 billion the NPV is much more negative. The other measure we look at is non-aeronautical cash flow inclusive of the allocated debt service. This is important as an indicator of the project's impact on airport debt service coverage. The result will be negative cash flow in the early years, going positive in 2038 at \$1.4 billion, and 2044 for \$1.7 billion. Consequently, the project will reduce airport debt service coverage for many years. The analysis above assumes the project receives \$250 million of grant funding. More grant funding would improve the financial results.

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

The cost savings of keeping the current terminal operational would likely present no long-term savings even with discounting the risk of a potential catastrophic failure; the terminal is still in need of upgrades driven by code and safety. Balancing the deferral of these costs against the structural, seismic, and operational needs of the terminal is not recommended.

#### **ADDITIONAL BACKGROUND**

The South Concourse facility at SEA was opened in 1973 and is owned and operated by the Port. The facility depends on building systems that are well past their useful service life, and further development of the facility has been limited by the authorities having jurisdiction, owing to concerns stemming from current building code minimum requirements. The building systems and materials used in the original construction, due to their age and manufacture, are difficult to maintain. The facility also contains areas of encapsulated regulated materials, such as asbestos, complicating maintenance, renovation, and development. Since the South Concourse was constructed, passenger volumes and aircraft operations have increased dramatically, security regulations have expanded, passenger level of service expectations have evolved, and airlines and retailers have changed their marketing strategies. Recently, the South Concourse was connected directly to the new International Arrivals Facility (IAF) across the taxi lane separating it via an above ground pedestrian walkway. The project will connect the continuity of design from the IAF and walkway to this project for a seamless continuous terminal aesthetic.

Meeting Date: October 25, 2022

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

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

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

Item No.	10b_supp
Date of Meeting	Oct 25, 2022

# S Concourse Evolution Project (SCoEvo)

Part of the S Gates Renewal Program

Planning and Design (CIP # C801203)

Commission Day

October 25, 2022



## IT TAKES MANY PIECES

- 5 Star Skytrax Rating
- 75 Minutes MCT
- 45 Minutes – Clocktower to Gate
- Level of Service – Optimum
- Top 25 ASQ World Ranking



# Objectives

South Satellite is 50 years old and requires major upgrades:

- Replace infrastructure systems and extend useful life of structure with
  - Structural/Seismic Upgrades
  - Building Systems Replacement/Upgrades
  - Civil/Utilities Replacement/Modifications
  - Update ADA Compliance
  - Environmental and Sustainability Revisioning/Upgrades
- Enhance Customer Experience
  - Increased Passenger Amenities/Level of Service (LOS)
  - Improved Airport Dining and Retail Opportunities
  - Modernize Facility

# Gating Strategy

Program will address airport-wide measures required to execute the project:

- Initial Gate outage strategy: 2 Phases in a 6/5 gate outage over 6 years
- Airport-wide gating solution includes 5 proposals that have been explored
- More design development & phasing strategy understanding is required
- Collaboration amongst the Capital Development team, Designers, GC/CM, Airline Partners, Stakeholders and other programs is essential to ensure success.
- Team continues to work on refining the PDD strategy through a detailed gating analysis based on the current flight schedule information.

# S Concourse Gate Closure Matrix

Phase 1 - North

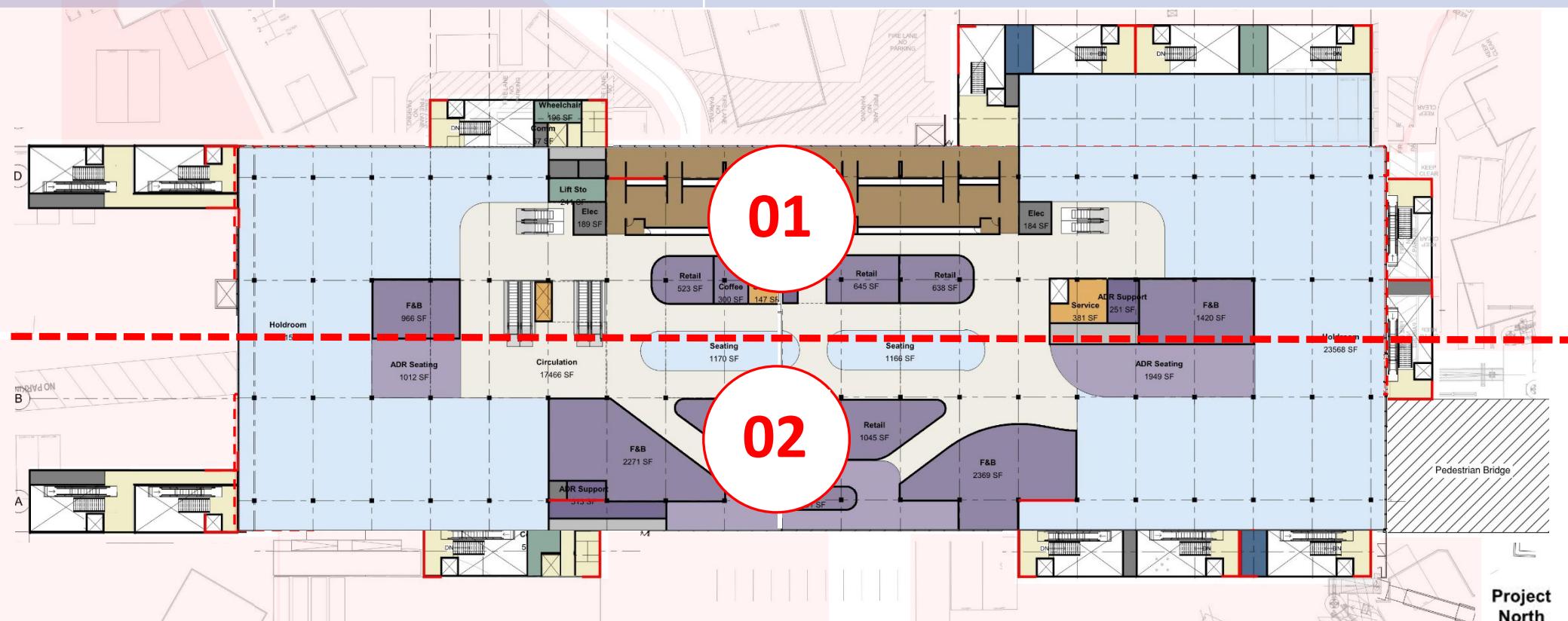
6 WB / 9 NB closure

S6, S7, S8, S9A, S9B, S10, S11, S12

Phase 2 - South

5 WB / 9 NB closure

S1, S2, S3, S4, S5, S15, S16

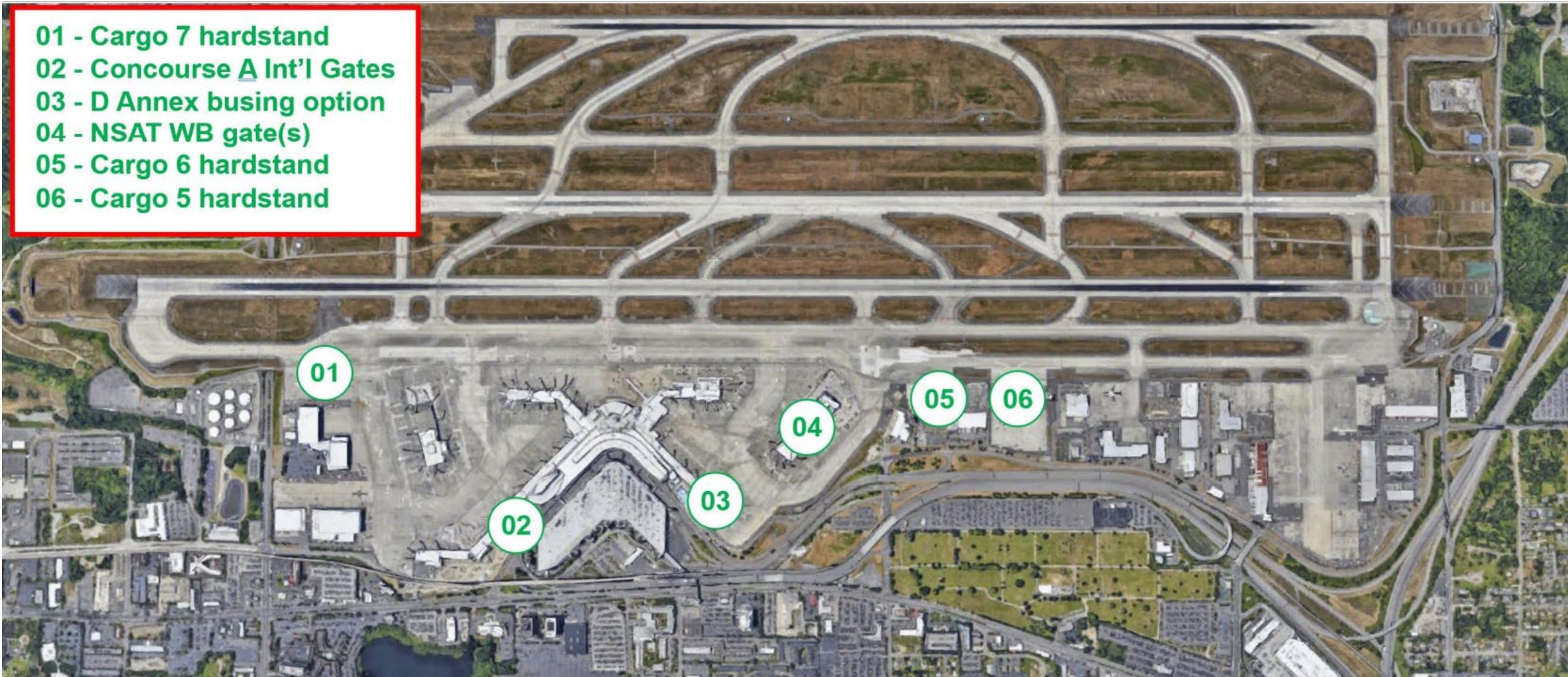


Opportunity to accelerate construction of western gatepod

Exact demarcation line pending further study

# Remote Gating Opportunities

- 01 - Cargo 7 hardstand
- 02 - Concourse A Int'l Gates
- 03 - D Annex busing option
- 04 - NSAT WB gate(s)
- 05 - Cargo 6 hardstand
- 06 - Cargo 5 hardstand



# Action Request

- Authorization to:
  - Stand-up project delivery team: procure project management support, construction management support, design services, commissioning and contractor teams by 4Q 2023
  - Transition from Planning to start of Design
  - Use alternative delivery contracting to advertise and execute a contract with the GC/CM including performing pre-construction
  - Utilize Port Crews
- Planning Phase estimated range of cost is \$1.4B - \$1.7B
- Total Authorization of this request is \$100M



# Questions?

[RETURN TO AGENDA](#)



224



**COMMISSION**  
**AGENDA MEMORANDUM**

**BRIEFING ITEM**

**Item No.** 11a

**Date of Meeting** October 25, 2022

**DATE:** October 18, 2022

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

**FROM:** Christina Billingsley, Senior Program Manager, Environmental Engagement  
Tiffany Sevilla, Workforce Development Program Manager and Data Analyst, Office  
of Equity, Diversity, and Inclusion  
Sally del Fierro, Director, Community Engagement  
Luis Navarro, Workforce Development Director, Office of Equity, Diversity and  
Inclusion

**SUBJECT:** Briefing on Duwamish Valley Community Equity Program and Duwamish River  
Green Jobs Program

**EXECUTIVE SUMMARY**

This presentation to Commissioners will provide a three-year milestone update on implementation of Resolution 3767, the Duwamish Valley Community Benefits Commitment Policy Directive. Staff and community partners collaborating on the Duwamish Valley Community Equity Program and the Duwamish River Green Jobs Program will present current activities, program accomplishments, and identify opportunities for the future.

**Duwamish Valley Community Equity Program (DVCEP) Activities, Accomplishments, and  
Community-led investments**

***Duwamish Valley Port Community Action Team (PCAT) and Port Capacity Building***

The Port Community Action Team (PCAT) is the community-convened advisory group established in 2017 and consists of Duwamish Valley community members that engage the Port in collaborative action and strategic planning in order to address historical and current disproportionate, cumulative impacts affecting the Duwamish Valley community. The PCAT co-wrote Resolution 3767, the Duwamish Valley Community Benefits Commitment Policy Directive (CBC), with Port staff, which the Commission unanimously adopted in December 2019 (see Attachment A).

Since 2019, PCAT members have been engaged in multiple types of decision making to direct DVCEP resource distribution, strategies, and impact evaluation. Some examples include: overseeing the DVCEP budget and operations, advising on the Duwamish River Community Hub, engaging with and building relationship with all levels of Port stakeholders including Executive Leadership Team and Commissioners, directing funding for sponsorships, improving equity in contract solicitation processes, and more.

Meeting Date: October 25, 2022

The PCAT meets regularly to identify ways to build organizational and community capacity to work with Port staff, who likewise convene internally to do the same. The “Duwamish Valley Inter-departmental Team” consists of over 25 members across multiple functions across the Port and are designated by Port Executive Leaders to participate. The group meets quarterly to gain skills in equitable engagement, cultural competence, and other topics that improve staff capacity to work with Duwamish Valley community members. Additionally, a core group of Executive Leadership Team members act as advisors to the DVCEP, known as the “DVCEP Executive Champions Group”. This group enables direct relationship and connection with PCAT members to ensure that leadership at the top of the Port organization are accountable to implementing the shared policy.

After conducting a racial equity analysis of the program in 2021 in combination with PCAT’s participation in anti-racism trainings, the DVCEP adopted new ways of working. These include conscious efforts by staff and PCAT members to identify and extricate practices of White Supremacy Organizational Culture (see Attachment B) within the Port, DVCEP, and PCAT. To this end, the PCAT and Port continue to collaborate on important logistics to make this happen (ex: giving advance notice, making Port communications more accessible and transparent). In addition, the PCAT has developed a new operating structure guided by a new vision and values statement (see Attachment C).

Now, the *means* of how the program operates and the *ends* (impacts) are centered in anti-racism and community leadership, which results in better long-term health and viability of the partnership between the Duwamish Valley and the Port. Given that there is no expiration date to Resolution 3767, the Duwamish Valley Community Benefits Commitment, this approach to establishing a sustainable, inclusive, anti-racist, and accountable organization is critical to get right in the program’s early years. As a result, this has been the primary priority for both PCAT and Port staff over the past first three years of the program.

#### ***PCAT-sponsored investments***

While this transformative structural work was occurring in the relationship between the Port and the Duwamish Valley community, the PCAT identified it was also important to meet urgent community needs through the program, especially during the COVID 19 pandemic. Starting in 2020, PCAT members began bringing community-led activities to the Port for sponsorship using the Port’s authority granted under Trade Business and Community Development. These high-impact, community-led projects promoted Port-related economic activity and public education about the Port while advancing community-identified benefits. Selection criteria was designed in collaboration with Port staff and projects were chosen for funding consideration based on: 1) project alignment with CBC goals and strategies, 2) impact in community, and 3) project feasibility and evaluation. These projects include, but are not limited to:

- *Solar Energy Education Youth Workshop* – a workshop series introducing local youth to careers in renewable energy that resulted in the installation of solar-powered lights constructed by youth at Duwamish River People’s Park

Meeting Date: October 25, 2022

- *Youth-led Pedestrian and Bike Safety study* – a youth-led ground-truthing study on bike and pedestrian infrastructure near Port properties, that has accelerated Port, Northwest Seaport Alliance, and City collaborations on traffic safety improvements in the Duwamish Valley
- *PCAT logo contest* – a graphic arts and public relations campaign to raise awareness about the PCAT and CBC while supporting the local artist economy
- *Economic Justice Storytelling Series* – a tour organized by Duwamish Valley journalists to elevate stories of Black, Indigenous, and People of Color entrepreneurs in Port-related industries, especially SEA Airport
- *Gateway Park North Youth Cleanups* – youth-led cleanups at Georgetown's last remaining river shoreline access point, a Port shoreline-property

#### ***Incredible Parks Want Incredible Names – Port Parks Renaming Project in 2020***

In October 2020, the Commission voted to adopt new, community-sourced names for six Port-owned parks and shoreline habitat areas along the Duwamish River. The names reflect the cultural, historical and environmental significance of each site. The action followed many months of community engagement in areas surrounding the parks. The ‘Incredible Parks Want Incredible Names’ project was designed in partnership with the Seattle Parks Foundation, a public greenspace non-profit, to ensure community involvement and transparency.

Throughout the process, over 4,000 public comments were received recommending that the new names include indigenous place names and Lushootseed words for local wildlife and natural features. Over twelve thousand individuals engaged with the program’s educational website that provided videos and information about each park’s history, archival photos of the old river shoreline, environmental conservation uses, and stories from nearby community members and park users. Stakeholders involved in the renaming process included tribal historians, environmental educators, Duwamish Valley community members, and Port Maritime Environmental staff.

#### ***Duwamish River Community Hub***

The three-year lease for the Duwamish River Community Hub began in summer 2021 primarily as a field office for the construction of Duwamish River People’s Park but has also been used to as a place-based economic development center for the community to easily access Port-related economic development resources. Activities at the Hub align with Port-related industries and career sectors: maritime, aviation, economic development, workforce development, environment and sustainability. To date, the Hub has hosted over 120 events serving community members of various age groups, ethnicities, and language abilities. The range of event types have included: technical support for high school youth applying for the Port internship positions, cruise and maritime career fairs, community-led construction trades information and recruitment fairs, trainings on green jobs and Duwamish River stewardship, Maritime High School field visits, and much more.

Meeting Date: October 25, 2022

Port staff from the Duwamish Valley Interdepartmental Team regularly use the Hub as a hot desk and meeting location for local collaborations; its key location makes it easy to facilitate and maintain relationships with the stakeholders across the community.

The Hub is organized by a part time building coordinator and supported by an advisory group consisting of a PCAT representative and staff from External Relations, Real Estate, Marine Maintenance, and Economic Development. The Hub rent is paid by Maritime Environmental and External Relations Departments, and the building coordinator role is funded by Economic Development Department, totaling to an annual cost of operations at \$170,000. Port staff continue discussions to bring the City of Seattle into partnership for collaborating on managing the lease and using the space for their various activities in the Duwamish Valley.

### ***Community Engagement at Duwamish River People's Park***

[Duwamish River People's Park](#) is a two-decade ongoing story about the Duwamish Valley community and the Port of Seattle's long journey to cleanup an old industrial site and transform it into a 14-acre shoreline habitat with public access to the Duwamish River. Duwamish River People's Park and Shoreline Habitat (formerly known as Terminal 117) is located on the left bank of the Duwamish River in the South Park neighborhood. At approximately 14 acres, this will be the largest habitat restoration site along the Duwamish River and will contribute to the recovery efforts of endangered Southern Resident orca by providing crucial habitat for their main food source, Chinook salmon. The Duwamish River Community Hub and the park are intricately linked for hosting environmental education events, habitat stewardship work parties, and enabling the Port to connect local residents to other efforts by the Maritime Environmental Department.

Starting in 1937, the Duwamish Manufacturing Company and Malarkey Asphalt Company operated at the site with minimal environmental regulations, as the US Environmental Protection Agency (EPA) was not formed until 1970. These companies heavily polluted the soil and shoreline of the site and went out of business in 1993. The Port acquired a portion of the property in 1999 with the plan to build a maritime cargo terminal. In 2003, the EPA designated the site as a highly toxic "Early Action" Superfund cleanup site. The EPA found contaminated soil, asphalt, oil, pipelines, a non-leaking underground diesel storage tank, drums, and debris in the riverbank resulting in risks of exposures to PCBs, a highly toxic chemical hazardous to public health. Since the Port and City now owned these polluted areas, both government agencies agreed to partner in the site's cleanup.

In 2007, the Duwamish Valley community advocated for the Port to pursue a higher standard of cleanup that would transform the site into a public use park and habitat reserve. Port Commissioners followed suit and unanimously voted for a full site cleanup, which allowed for the site to be used for public access and habitat restoration. The park's public grand opening celebration took place in summer 2022 with hundreds of community members in attendance.

Meeting Date: October 25, 2022

***Duwamish River Green Jobs Program***

The Duwamish River Green Jobs Program is a collaboration with the Green Jobs Coalition (a collection of Duwamish Valley WMBES and non-profits including Dirt Corps, Duwamish Valley Youth Corps, ECOSS, Duwamish Tribal Services, and Sean Watts LLC). The vision of the Green Jobs Coalition is a Duwamish Valley with no systemic bias, where lower income residents and Black, Indigenous, and People of Color:

- 1) face no barriers to sustainable, fulfilling, inspiring, living wage careers, and
- 2) contribute to and benefit from healthy whole, self-sufficient communities restoring the health of the Duwamish River.

The program's purpose is to equitably provide access to Port-related maritime and green career opportunities to communities most impacted by Port operations. In addition, the program advances the Port's Century Agenda environmental and sustainability commitments to restore, create, and enhance an additional 40 acres of habitat in the Green/Duwamish Watershed and Elliott Bay, partner with near-Port communities, and provide economic opportunities for all.

In alignment with Resolution 3767, the program prioritizes the inclusion and participation of Duwamish Valley community members, especially Black, Indigenous, and People of Color. The program aims to address the lack of racial and ethnic diversity in the environmental sector, in light of the fact that “disproportionate impact of environmental hazards on communities of color [and that] people of color poll higher than whites in support for environmental issues,” as identified in the [Green 2.0 Report](#). In addition, the program aligns with [the Washington STEM Career Connected Learning Framework](#) and advances the goals of the Port’s Youth Internship Program by placing select previous Port interns into paid, experiential learning opportunities in the Green Jobs sector.

**ADDITIONAL BACKGROUND ON GREEN JOBS/GREEN CAREERS AT THE PORT**

In 2019, Commissioners authorized staff to conduct a solicitation to evolve the pilot project into a long-term sustainable green jobs program focused on the Duwamish River. After a competitive bid process, the contract was awarded to a group of organizations now referred to as the “Green Jobs Coalition.” The group operates using a non-hierarchical and anti-racist framework in designing their work plan, making decisions with Port staff, and in fulfilling the scope of work. The Coalition includes: Dirt Corps, Duwamish Valley Youth Corps, ECOSS, Duwamish Tribal Services, and SM Watts Consulting LLC. Since 2020, the contract has been jointly funded by External Relations and the Maritime Environmental Department. In 2022, the Office of Equity contributed significantly to support the work. As of 2023, the program will be funded by all three departments.

After its first year of operations in 2021, the Green Jobs Coalition conducted a racial equity analysis of the outcomes and activities. Following this evaluation, the group identified the need to narrow down the program's focus areas and address key root causes of inequity within the environmental sector. The following three green jobs career pathways - inclusive of training in

Meeting Date: October 25, 2022

culturally relevant storytelling, physical education, and history lessons - will now serve all future job creation and career connected learning activities:

- (1) **Green stormwater infrastructure** is an approach to water management that protects and enhances natural water cycles and aims to reduce pollution in watersheds, improve the built environment to conserve water use, and mitigate climate change impacts. Marketable skills in this sector include project design, plumbing, hydrology, horticulture, customer service, project management, indoor environmental health, construction, general contracting, engineering, customer service, landscaping, and specialization in infrastructure/building design that promotes stormwater management techniques.
- Culturally relevant storytelling related to this sector include: relationships to water, access to safe drinking water
  - Physical education related to this sector include: safety with tools, movement related to bending, surveying, digging, installation of pipes and GSI equipment
  - History lessons related to this sector include: Puget Sound ecological history, history of redlining, flood and climate change-related infrastructure

<b>Student quotes</b>
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"It was cool being able to recognize that I already knew what sorts of green infrastructure that they were talking about, such as the oyster barrels and plant system that resembled a rain garden. It just shows that I'm able to apply what I've learned to more conversations and experiences around me!"

"I really liked doing the little science experiments with the water because it almost reminded me of being in school in Chemistry except better because I'm not being graded for it."

- (2) **Land-based salmon habitat restoration** is a sector of conservation ecology that emphasizes the interconnectedness of watershed health with terrestrial forest health to promote salmon recovery. The sector includes the conservation of riparian shoreline and urban forest natural resources. Marketable skills include ecological restoration techniques and best management practices, arboriculture, native plant identification/cultivation, shoreline-specific horticulture, erosion control, shoreline habitat management, salmon lifecycle education and protection.
- Culturally relevant storytelling related to this sector include: Immigration and connotations of outside "labor"-based work to different cultures, various experiences with wilderness across ethnic or socio-economic differences
  - Physical education related to this sector include: safety with tools, movement related to bending, stretching, carrying, installing plants, removing weeds
  - History lessons related to this sector include: Straightening of the Duwamish River, industrialization of Seattle, Port of Seattle history

<b>Student quotes</b>
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"It was a really fun day because the whole community was here and I got to relax with food

Meeting Date: October 25, 2022

and music while also doing my job to answer questions on the [Duwamish River People's] Park."

"[The visit to Seahurst Beach] was very cool, very educational in terms of learning more of the sea life here in the area such as the crabs that live under rocks, the different types of anemone's, barnacles that blend with rocks, and overall the ecosystem there is here."

- (3) **Water-based environmental education** is an area of environmental education that encompasses the exploration and conservation of the marine environment such as coastal, estuarine, or riparian fauna and flora. The sector requires a basic understanding and comfort with on-water experience, water safety, marine vehicle safety, fish and marine wildlife identification, and marine ecology. Marketable skills in this field include stormwater management, curricula development and teaching, recreational boating, fishing and safe fish consumption, environmental stewardship, conservation techniques specific to riparian or coastal ecosystems, natural resource monitoring, river guide training, first aid training, and water safety.
- a. Culturally relevant storytelling related to this sector include: relationships to water, access to safe drinking water, education of safe fish consumption and fishing habits.
  - b. Physical education related to this sector include: water safety, kayaking/small vessel safety
  - c. History lessons related to this sector include: Indigenous Coast Salish heritage and relationship to the Duwamish River

#### Student quotes

"Swimming on a hot day is already pretty nice honestly but strengthening my skills to make sure I'm safe in the water is definitely the highlight of it all."

"[The cooking and fish safety day] was really cool and soothing being able to talk with the Khmer members from the organization and cook in my native tongue with them since I don't have a chance to connect with many other people from my community otherwise."

#### PROGRAM METRICS AND JOB CREATION OUTCOMES

The Duwamish River Green Jobs Program hosts a summer youth training series and a fall adult training series. Activities organized by the program included: career awareness (career panels, worksite tours), career exploration (networking, industry-based experiences), career preparation (worksite learning), and career skills training (hands-on training, mentorship).

In the 2021 summer cohort, 13 out of 15 youth trainees were BIPOC-identified, were a mix of high school and non-student youth, and 50% were recruited directly from the Duwamish Valley. The fall cohort included 8 out 10 adult trainees who were BIPOC-identified, including 6 English Language Learners. Fifty percent of participants had direct connection to (either presently resided in or previously resided or worked in) the Duwamish Valley. Adult participants

Meeting Date: October 25, 2022

identified as underemployed, unemployed, or in career transition before participating in the training.

Trainees from the program found work in the following maritime and green career areas:

- Local environmental restoration and landscaping companies
- Starting their own stormwater management businesses, ex: contractors for installing green stormwater infrastructure at private and industrial properties
- Non-profits in the environmental sector
- Environmental education
- Local government parks and recreation departments
- Horticulture at local nurseries
- Advanced education, ex: pursuing graduate school for environmental engineering

The Green Jobs Program aligns with the Port’s Workforce Development Policy’s metrics for success. Identification of investments, outcomes and progress of the Port’s workforce development efforts including, but not limited to:

1. **The number youth placed in internships and (or) jobs:** 2021- 15 youth, 10 adults. 2022- 11 youth, 10 adults
2. **The number of persons trained, recruited, placed in jobs, and retained\*:** 2021 and 2022 (ongoing) trained: 26, recruited 27, placed in subsequent jobs (or education) TBD, retained TBD. \*Retained means the number of participants that began the program and successfully completed it. Retention rates across years is not applicable because it is a one year program.
3. **The types of internships and jobs and range of compensation:** Internship types focused on the three environmental sectors (green stormwater infrastructure, land-based salmon habitat restoration, water-based environmental education) and honed these marketable skills: technical conservation science and restoration skills, cultural storytelling, physical education, communication, environmental stewardship, and community project development. \$18/hourly rate for trainees.
4. **The number and types of businesses that are served:** over a dozen BLS Green Jobs identified within “outputs sectors” benefits from the Green Jobs Program trainings.
5. **Any other tangible benefits realized by the port, the workers, businesses, and the public.**
  - Sites improved: The Green Jobs Coalition and the Port have conducted instruction and training at ten shoreline sites, including Lake Washington Ship Canal, Elliott Bay, and Duwamish Waterway locations. Six combined public shoreline access/habitat restoration sites in Duwamish Valley have received Green Jobs Coalition effort. The

Meeting Date: October 25, 2022

Green Jobs Coalition and the port have collaborated to conduct more than thirty-five events/site activities 2019-2022.

- Planting: Principal focus of many site improvements is establishing native vegetation as fundamental environmental resources, providing important habitat values as well as green/safe open space. Approximately 1750 native trees and shrubs and approximately 1100 native marsh plants installed by Green Jobs Coalition trainees. Note that planting includes clearing areas of invasive vegetation, preparation of planting locations, plant installation, and ensuring plant survival. In addition, they helped with urban kelp propagation at three waterfront locations.
- Physical improvements: Site work has included installation of pedestrian shoreline access trails and bank-line steps, installation of protective waterfowl fencing, and removal of obstacles/debris for site safety.
- Training/instruction: Work with the Green Jobs Coalition has included environmental restoration design, demonstration of riparian vegetation and marsh planting techniques, native vegetation identification, accomplishing site irrigation, assistance with green stormwater installations, and introduction to geographic information system applications
- Innovation/idea transfer: Collaborative work has been mutually beneficial. For example, the opportunity to use port provided large wood materials in a recent green stormwater project would not have been possible without the Green Jobs Coalition collaboration. Also, establishing native plant “nursery plots” in South Park and Georgetown is the result of sharing ideas with Dirt Corps staff and trainees. Future work beneficial to Duwamish Valley communities may include street-end shoreline “re-vegetation” and innovative green-wall applications, using salvaged materials. The Green Jobs Coalition work has enriched environmental conditions, provided neighborhood green-space, and physically improved publicly owned port assets.
- Wages for Opportunity Youth and Underemployed BIPOC Adults: Approximately \$60,000 in wages provided to trainees throughout the program, predominately to Black, Indigenous, and People of Color
- Cultural Shift in Environmental Sector: Challenging the “green ceiling for people of color” to enter into the environmental sector: majority participants identified as Black, Indigenous, and People of Color
- Inter-generational mentorship and leadership within the Duwamish Valley: youth participants led tours to adults of the Duwamish River Peoples Park and their stewardship efforts at Port properties at multiple Port events.
- Cultural competence and Belonging: Cultural and historical tours of areas that participants had not experienced (such as Chinatown/International District, Duwamish Longhouse); telling the stories of Indigenous people, immigrants, refugees and other communities of color and their history or relationships to the maritime and environmental sectors.
- Modeling for other Agencies: Program serves as a model for inclusive habitat stewardship and environmental education across the region and country, staff working on the Duwamish Valley partnership have presented at many regional, national, and

Meeting Date: October 25, 2022

international conferences since 2021 (ex: American Association of Port Authorities, Asian Pacific Economic Cooperation- Maritime Working Group).

The Port's Workforce Development Policy Directive, as adopted by Commission on June 23, 2020 offers the following definitions that serve as foundation for this program:

*"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.*

### **ADDITIONAL BACKGROUND ON THE DUWAMISH RIVER COMMUNITY HUB**

#### **Alignment with Century Agenda Goals and Objectives**

Events hosted at the Duwamish River Community Hub range in topics identifying with a wide range of the Port's Century Agenda Goals; namely:

*Goal 3: Responsibly Invest in the Economic Growth of the Region and all its Communities;* especially in the Workforce Development Department's efforts to increase career and business opportunities for local communities in all port-related industries, specifically through construction trades, maritime, and green jobs sectors.

*Goal 4: Be the greenest and most energy-efficient port in North America;* especially related to promoting the Port's substantial work on the nearby riverfront to restore, create, and enhance 40 additional acres of habitat in the Green/Duwamish habitat. The Hub functions as a field

Meeting Date: October 25, 2022

office for the construction and maintenance of the newly opened, Duwamish River People's Park.

*Goal 5: Become a Model for Equity, Diversity and Inclusion;* especially in supporting riverfront-based WMBE and DBE firms and non-profits to work with the Port and receive appropriate trainings and resources needed to eliminate disparity of access to Port business opportunities; and to accelerate regional workforce development efforts in port-related industries to provide equitable access to quality careers.

And finally, *Goal 6: Be a Highly Effective Public Agency;* because the Hub is managed in partnership with the external stakeholder community group, the PCAT, the Port is accountable to ensure the Hub's relevancy and impact, which steers us correctly towards building a healthy, safe, and equitable Duwamish Valley community.

#### **Addressing Barriers to Entry at the Hub**

The first year of the Hub's lease revealed barriers preventing community and industry access to the facility. The Hub opened during the Covid pandemic, but Port staff worked alongside Duwamish Valley community members to develop inclusive Covid Safety Guidelines and procured portable air filters, masks, and hand sanitizer for each meeting space within the Hub. In December, the Port of Seattle placed a moratorium on public meetings, which impacted staff's ability to activate the space and accommodate incoming event requests. During that time, however, staff worked with the PCAT to identify and remove barriers for community use.

Staff received feedback that the Hub building rates were too costly, the process for booking the space felt arduous, and uncertainty about Port requirements for using the Hub all created significant barriers to reserve the space. Staff from External Relations, Real Estate, and Legal Counsel collaborated to develop a more affordable rate sheet and revised application process. The reduced rates and revised application process increased the usage of the space by 80%.

#### **ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides
- (2) Resolution 3676 (previously adopted), Duwamish Valley Community Benefits Commitment Policy Directive
- (3) White Supremacy Organizational Culture, article by Tema Okun
- (4) PCAT Organizational Statements

#### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- October 27, 2020 – Commission adoption of new park names for six Port-owned shoreline and public access areas along the Duwamish River
- December 10, 2019 – Commission authorization of Duwamish River Green Jobs Program contract solicitation and PCAT Community Capacity Building contract solicitation

Meeting Date: October 25, 2022

- November 19, 2019 – Commission introduction of Resolution 3767, Duwamish Valley Community Benefits Commitment Policy Directive
- October 29, 2019 – Energy and Sustainability Committee approves Introduction of the Policy Directive to the full Commission
- May 28, 2019 – Commission establishment of Motion 2017-07, Duwamish Valley Community Equity Program
- April 10, 2018 – Commission authorization for funding to continue EPA Pilot Project activities with Duwamish Valley community members

## **RESOLUTION NO. 3767**

**A RESOLUTION** of the Port of Seattle Commission establishing a Duwamish Valley Community Benefits Commitment Policy Directive to guide the implementation of the Duwamish Valley Community Equity Program and other Port operations that impact the Duwamish Valley Community.

**WHEREAS**, the Port of Seattle is committed to creating economic opportunity for all, stewarding our environment responsibly, partnering with surrounding communities, promoting equity and social responsibility, and being transparent and accountable; and

**WHEREAS**, the Port's Century Agenda states the Port will use its influence as an institution to promote Women and Minority Business Enterprise (WMBE) growth, small business growth, and workforce development to include increasing workforce training, job and business opportunities for local communities in trade, travel and logistics; and

**WHEREAS**, the Century Agenda also states the Port will be the greenest and most energy-efficient port in North America by reducing air pollutants and carbon emission, and restoring, creating and enhancing 40 additional acres of habitat in the Green/Duwamish watershed and Elliott Bay; and

**WHEREAS**, the Port recognizes that institutional racism has contributed to both inequities in the distribution of the Port's economic prosperity benefits and to environmental degradation amongst near-Port communities compared to others, particularly those experiencing socio-economic challenges; and

**WHEREAS**, in 2017 the Port Commission adopted Resolution No. 3736, which was amended by Resolution 3746, establishing a Priority Hire Policy Directive to provide good family wage jobs to qualified construction workers from economically distressed areas of King County, including Georgetown and South Park, by increasing access to port projects; and

**WHEREAS**, in 2018 the Port Commission adopted Resolution No. 3747 establishing a Welcoming Port Policy Directive to increase engagement with, and support for, immigrant and refugee communities; and

**WHEREAS**, in 2018 the Port Commission adopted Resolution No. 3737 establishing a Diversity in Contracting Policy Directive to provide the maximum practicable opportunity for increased participation by WMBE in Port contracting for public works, consulting services, supplies, material, equipment, and other services; and

**WHEREAS**, in 2019 the Port established an Office of Equity, Diversity, and Inclusion to address institutional racism and increase equity, diversity, and inclusion in Port policies, processes, and programs; and

**WHEREAS**, the Duwamish Valley Community (Community) consists of a group of people and organizations that live, work, play, study, or worship in the near-Port neighborhoods of South Park and Georgetown along the Duwamish River and have been historically or are currently impacted by economic, racial, and environmental injustices, including the Duwamish People, the first people of Seattle; and

**WHEREAS**, the 2013 Cumulative Health Impacts Analysis published by Just Health Action and the Duwamish River Cleanup Coalition/Technical Advisory Group characterizes the Duwamish Valley Community as experiencing environmental justice issues such as disproportionate exposure to air pollution, lack of greenspace, and high poverty rates contributing to a life expectancy in South Park and Georgetown that is 13 years lower than wealthier communities in Seattle; and

**WHEREAS**, the City of Seattle's 2017 Preparing for Climate Change Strategy Report identifies this community as one of the communities that will be most impacted by climate change conditions such as extreme heat, rising sea levels, and flooding; and

**WHEREAS**, the Port seeks alignment with the City of Seattle Resolution 31567 and King County Motion 2015-0167 related to the Duwamish Waterway Cleanup and the health of communities adjacent to the Lower Duwamish Waterway, and other public agencies who have recognized historic and present inequities experienced by the Community, and have launched long-term initiatives within their own operations, such as the City of Seattle's Duwamish Valley Action Plan that addresses environmental justice and equitable development in the community; and

**WHEREAS**, the Port has historic involvement in the Duwamish Valley through Superfund cleanup and remediation as part of the Lower Duwamish Waterway Group (LDWG) along with the City of Seattle, King County, and Boeing., and LDWG has collectively invested approximately \$50 million in investigating contamination in the Lower Duwamish waterway, developed approaches for cleanup of the waterway and means to prevent recontamination through source control; and the Port of Seattle has individually already invested nearly \$13 million into the cleanup of Terminal 117 Early Action Area; and

**WHEREAS**, the Northwest Seaport Alliance (NWSA) and the Port of Seattle have partnered on several initiatives to improve air quality and reduce greenhouse gases such as the Clean Truck Program, air quality education projects, and the adoption of the Northwest Ports Clean Air Strategy to reduce air emissions from shipping and port operations in the Georgia Basin and Puget Sound airsheds from cargo-handling equipment, rail, harbor craft, ships, and trucks; and

**WHEREAS**, in January 2017 the Port and Duwamish Valley community were selected by the United States Environmental Protection Agency's Ports Initiative to receive a technical assistance grant to pilot a project (pilot project) that facilitated dialogue and engagement with communities experiencing environmental justice issues; and

**WHEREAS**, the pilot project enabled the Port to identify three areas of collaboration and mutual benefit with the Community: capacity building, environmental stewardship, and economic development to prevent continued community displacement; and these three areas, as well as community-based organizations such as the Port Community Action Team (PCAT), are key pillars for sustaining the ongoing partnership; and the Port has expended over \$450,000 on targeted community programs such as shoreline improvements, increased access to public educational events, and green career pathways; and

**WHEREAS**, the PCAT is a Community-convened advisory group established in 2017 as part of the pilot project consisting of Duwamish Valley community members that engage the Port in collaborative action and strategic planning in order to address historical and current disproportionate, cumulative impacts affecting the Duwamish Valley community; and the PCAT provides training and coaching to Port staff on inclusive engagement practices and cultural competency that ensures the effectiveness of achieving the Century Agenda; and

**WHEREAS**, in May 2019, the Port of Seattle Commission authorized the creation of the Duwamish Valley Community Equity Program and directed staff to collaborate with community partners to establish a Community Benefits Commitment that provides shared goals and definitions, a strategy and workplan with actionable items, and an evaluation framework;

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

**SECTION 1.** The Duwamish Valley Community Benefits Commitment as shown in Exhibit A is hereby established.

**SECTION 2.** The Duwamish Valley Community Benefits Commitment shall be labeled and catalogued 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 of Seattle Commission at a duly noticed meeting thereof, held this 10th day of December, 2019, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the commission.



*Courtney Gregoire* **COURTNEY GREGOIRE**  
*Ryan Calkins* **RYAN CALKINS**  
*Pred Felleman* **PRED FELLEMAN**  
*Stephanie Bowman* **STEPHANIE BOWMAN**  
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Port of Seattle Commission

**EXHIBIT A to Resolution 3767**  
**DUWAMISH VALLEY COMMUNITY BENEFITS COMMITMENT POLICY DIRECTIVE**

**SECTION 1. Purpose.**

The purpose of the Duwamish Valley Community Benefits Commitment Policy Directive (commitment) is to guide the implementation of the Duwamish Valley Community Equity Program (DVCEP) and other port operations that impact the Duwamish Valley Community (community). The commitment enables the Port of Seattle to advance its mission to promote economic opportunity and quality of life in the region by advancing trade, travel, commerce, and job creation in an equitable, accountable, and environmentally responsible manner. The port's partnership with the community's advisory group, the Port Community Action Team (PCAT) will ensure the DVCEP achieves three shared goals:

- A. Goal 1: community and port capacity building for ongoing collaboration
- B. Goal 2: healthy environment and communities
- C. Goal 3: economic prosperity in place

**SECTION 2. Definitions.**

When used in this commitment, the following words and phrases shall have the meanings given below, unless the context in which they are included clearly indicates otherwise:

“Allyship” means an active, consistent, and arduous practice of unlearning and re-evaluating in which a person or institution holding systemic power seeks to end oppressions in solidarity with a group of people who are systemically disempowered.

“Anti-Displacement” means policies, strategies, and practices that prevent displacement, such as building community capacity to manage neighborhood change, increasing access to jobs and careers, and supporting community spaces to create cultural anchorage.

“Climate Resilience” means the ability for communities and local environments to recover and flourish after extreme climate events and withstand the long-term impacts of climate change. It consists of addressing the root causes of the climate crisis and developing a socio-economic system with the ability to absorb stresses and maintain function in the face of challenges enabling communities most impacted to thrive in place.

“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.

“Community Engagement” means an inclusive, democratic process through which community members and port staff are empowered to work together in making decisions. It consists of

improved community-port relations, community empowerment, capacity building and partnerships, equitable uses of resources, respect and cultural competency, and recognition of the value of diverse perspectives and experiences.

“Community Science” means a form of community-based participatory research that helps participants understand, analyze, share information, and take action on issues impacting the community.

“Cultural competence” means the skills, behaviors, and principles that guide respectful, effective, and successful engagement with people representing different cultures, socio-economic backgrounds, and lived experiences.

“Disaggregated data” means data that has been broken down by detailed sub-categories, such as race, gender, 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.

“Duwamish Valley Community” (community) means the group of people and organizations that live, work, play, study, or worship in the near-port neighborhoods of South Park and Georgetown along the Duwamish River and have been historically or are currently impacted by economic, racial, and environmental injustices, including the Duwamish People, the first people of Seattle. Revisions of this definition must be approved by community partners.

“Duwamish Valley Community Equity Program” (DVCEP) means the Port of Seattle program focused on ensuring that the Duwamish Valley Community Benefits Commitment is implemented through targeted investments and in collaboration with the Duwamish Valley Community. The program includes actions the port will take to achieve mutually beneficial goals agreed upon between the port and the community.

“Environmental Justice” means a term that reflects the reality that vulnerable communities are unfairly subjected to historic and current, disproportionate burdens of pollution and contamination. Environmental justice embraces the principle that all people and communities have a right to a healthy environment and a right to equal protection and equal enforcement of environmental laws and regulations.

“Equitable engagement” means community engagement processes that ensure that the most impacted stakeholders (e.g., people of color and low-income families) can meaningfully participate in decision-making processes. This type of engagement is proactive, responsive, inclusive, and culturally appropriate.

“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 some groups. Improving equity involves (1) increasing justice and fairness with the procedures and processes of institutions or systems and (2) a fair, intentional distribution of resources. For example, racial equity considers root causes of inequities and results in the elimination of racism in all policies, practices, attitudes, and cultural messages at the structural, institutional, and individual levels.

“Green economy” means an economy that aims to reduce environmental risks and resource scarcities and promotes sustainable development without degrading the environment that results in improved human well-being and equity.

“Greenspace” means port properties that are designated to provide public access to outdoor environmental recreational experiences and are at least partially, if not completely, covered in vegetation.

“Institutional racism” means the ways that institutional practices, policies, and procedures create disparate outcomes for different racial groups, namely, the advantages experienced by people classified as white and the disadvantages experienced by people classified as non-white. For example, disparity can be experienced directly through a person’s lack of access to gainful employment due to discrimination or indirectly through a person’s inability to influence decision-making due to a lack of appropriate representation in government.

“LGBTQAI” is an acronym that means lesbian, gay, bisexual, transgender, queer, asexual, and intersex people. These sex, gender, and sexual orientation identities are often marginalized in society.

“Northwest Ports Clean Air Inventory and Strategy” means the collaborative effort between the Port of Seattle, Port of Tacoma, The Northwest Seaport Alliance (NWSA), and Vancouver Fraser Port Authority (Canada) to reduce air emissions from shipping and port operations in the Georgia Basin-Puget Sound airshed.

“Northwest Seaport Alliance (NWSA)” means the marine cargo operating partnership of the ports of Tacoma and Seattle, which together represent the fourth-largest container gateway in the United States.

“Port Capacity Building” means the process by which port leaders, staff, and other representatives obtain, improve, and retain knowledge, tools, and skills, such as allyship and

cultural competency. It includes incorporating equity, diversity, and inclusion principles in decision-making and community engagement.

“Port Community Action Team” (PCAT) means the community-convened advisory group established in 2017 and consists of Duwamish Valley Community members that engage the port in collaborative action and strategic planning in order to address historical and current disproportionate, cumulative impacts affecting the Duwamish Valley Community.

“Priority Hire Policy” means the Port of Seattle Policy Directive on Priority Hire established by Resolution No. 3736 as may be subsequently amended or restated. This policy strives to increase access to jobs for qualified construction workers from economically distressed areas of King County to Port of Seattle projects.

“Welcoming Port Policy” means the Port of Seattle Welcoming Port Policy Directive established by Resolution No. 3747 as may be subsequently amended or restated that establishes goals to increase engagement with, and support for, immigrant and refugee communities.

### **SECTION 3. Scope and Applicability.**

This commitment pertains to all activities of Port of Seattle employees and related business units that impact the community. These activities must be feasible, under the port’s legal authority, and within the port’s policies. Port staff will also consider how this commitment may apply to port contractors and port vendors. Nothing in this commitment shall be interpreted to prohibit port employees, contractors, vendors, and related business units from engaging productively with partners in the normal course of port-related business.

To ensure equity, actions outlined in the commitment shall strive to address the concerns of underserved and disproportionately impacted community members, especially communities of color, Native Americans, low-income workers and residents, refugees and immigrants, undocumented individuals, veterans, youth and elders, formerly incarcerated individuals, LGBTQAI people, people with disabilities, limited English proficient populations, women and minority-owned business enterprises (WMBE), and women- and people-of-color-led organizations.

### **SECTION 4. Responsibilities.**

- A. The Executive Director, or a delegate, shall be accountable to ensure the implementation and adequate annual funding of the DVCEP.
- B. The Executive Director, or a delegate, shall develop a Strategic Plan every three years that will include strategies and actions to ensure program success. The Strategic Plan will include an annual work plan. The work plan will be developed in partnership with the formalized community advisory group, the PCAT. Port staff

will work with the community to develop program priorities, actions, benchmarks, and metrics for success.

- C. The Executive Director, or a delegate, shall ensure port divisions' participation in a Duwamish Valley Inter-Departmental Team (IDT) including, but not limited to: External Relations; Environment and Sustainability; Maritime; Human Resources; Economic Development; Office of Equity, Diversity, and Inclusion; the Northwest Seaport Alliance (NWSA); Office of the Commission; and other work groups as needed to achieve goals in consultation with the Legal Department.

## **SECTION 5. Policy.**

- A. **Introduction.** The Duwamish Valley Community Benefits Commitment will guide ongoing and future relations between the Port of Seattle and the Duwamish Valley Community. The commitment shall be upheld through the port's long-term investment and staffing of the DVCEP. The DVCEP works to achieve three goals:

- B. Goal 1: Community and Port Capacity Building for Ongoing Collaboration**

In alignment with the port's equity initiatives to address institutional racism and recognizing that the most effective methods for solving inequities come from communities themselves, the DVCEP shall build port and community capacity to ensure meaningful, equitable engagement and partnership. To this end, the DVCEP will foster shared decision making, support existing and upcoming community leaders, and collaborate with the community on activities that advance mutually beneficial outcomes. The port's action areas include, but are not limited to:

- (1) **Inclusion.** Increase access to and equitable delivery of port programs, activities, and use of public facilities. Keep the community informed about general port updates and news. Adjust port communication strategies to proactively include the community such as advertising events or news in ethnic news outlets, providing translation and interpretation services for port events, and increasing multimedia storytelling to demonstrate impact and opportunities through multicultural social media, radio, video, and online platforms to reach new audiences. Engage the community in outreach for the Welcoming Port Policy, Anti-Human Trafficking Policy, and other Port programs that better serve refugees and immigrants.
- (2) **Training and Education.**
  - (a) Port employees. Develop port staff skills, knowledge, and practice of equity, diversity, and inclusion, especially members of the IDT, to reduce the impacts that port operations have on the community. Train port staff on best practices related to community engagement and equitable engagement, cultural competence, and allyship in the context of the Duwamish Valley Community.

- (b) Community. Provide regular trainings for the community on the port's mission, operations, programs, and on other topics related to capacity building, shared decision-making, public comment procedures, project timelines, and public review processes. Host interactive workshops that support DVCEP activities, such as facilitation, project management, and leadership development.
- (3) Community Engagement. Review port policies, practices, and operations to ensure equitable engagement. Provide engagement opportunities for the community that facilitate shared decision-making and participation in port processes. Organize accessible public events that enable the community to gain knowledge, experience, and understanding of port processes and governance, such as the Multilingual Duwamish River Boat Tour. Support port-related events organized by the community, such as the annual Duwamish River Festival. Host open houses at port properties and have commission meetings in community venues. Involve the port's maintenance, security, and police departments in programming that builds relationship and trust with the community to improve safety at port properties.
- (4) Community Feedback. Maintain PCAT as the environmental justice-oriented advisory group representing the community voice and funded through the DVCEP. Equitably engage the community early and often regarding any port-led projects or property improvements and changes affecting the community. Solicit and incorporate community feedback using equitable engagement best practices.
- (5) Inter-agency Collaboration. Collaborate with other public agencies, institutions, and industrial partners as needed to address community concerns and create opportunities that support the port's Century Agenda. Work with external stakeholders including Duwamish Valley-focused inter-departmental teams to identify opportunities for coordination and leveraging of resources. In alignment with City of Seattle Resolution 31567 and King County Motion 2015-0167, explore the feasibility of an interagency fund to support the community's equitable participation in the regional economy.
- (6) Data-Driven Results. Conduct a root cause analysis to understand DVCEP needs and opportunities. Work with the community to collect and evaluate quantitative and qualitative data to inform DVCEP decisions. Provide trainings for port staff to gain skills in collecting and analyzing disaggregated data to understand challenges, develop solutions and track progress. Consider latest data and research on equity issues to inform program decisions, such as the Washington Environmental Health Disparities Map.

### C. Goal 2: Healthy Environment and Communities

The port shall proactively address climate change and other environmental factors that affect the health of the community. The DVCEP will foster collaboration with community on

activities that advance mutually beneficial outcomes. The port's action areas include, but are not limited to:

- (1) Climate Change. Collaborate with other public agencies, industrial partners, institutions, and the community to participate in local plans to address impacts from climate change. Work with the community to raise awareness and implement climate resilience solutions related to port industries such as maritime, aviation, trade, tourism, and transportation. Continue Port of Seattle efforts to reduce greenhouse gases (GHG). Leverage Port of Seattle and NWSA GHG reduction targets to develop a set of recommendations to reduce operational greenhouse gases. Collaborate with other public agencies and institutions to secure investments promoting climate resilience and greenhouse gas reductions. Work with the community on fostering innovation in areas like carbon sequestration and renewable energy projects across port-related industries and properties, such as the Blue Carbon Project and solar panel installation at port facilities.
- (2) Air Quality. In coordination with the NWSA, implement programs to reduce air emissions from port and tenant activities that affect community health outcomes, such as the NWSA Clean Truck Program and its future expansion at domestic terminals. Collaborate with the NWSA and other public agencies, stakeholders, and institutions to invest in the equitable distribution of air quality improvements. Collaborate with stakeholders to provide education, training, and resources that build capacity for the community to take action on air quality. Promote community science projects that help identify community-based solutions to address port-related air quality impacts. Equitably engage the community in regular Northwest Ports Clean Air Inventory and Strategy updates and its ongoing implementation. Work with industry partners, the community, and other public agencies to normalize equity best practices, use of disaggregated data, and shared decision-making processes regarding air quality issues.
- (3) Truck Traffic. In advancement of the NWSA's efforts, collaborate with the community, port tenants, truck drivers, businesses, and other public agencies to reduce impacts from the movement of goods. Use an equity framework to explore modifications to drayage trucking policies and practices regarding movement of goods, public infrastructure and systems, truck routing, driver training, truck parking, road maintenance, and enforcement of traffic rules. Work with public agencies, including the NWSA, and other key stakeholders, such as those most impacted, to commit to a process to address trucking issues locally and involve the community in decision-making related to roadway and infrastructure improvements, truck parking, queuing, idling, and other trucking impacts.
- (4) Noise Impacts. In coordination with the NWSA, collaborate with the community, other public agencies, and other key stakeholders on reducing the impacts of

noise related to port activities. Work with other public agencies to explore the equitable distribution of programs and investments.

- (5) **Public Parks and Greenspace**. Improve port properties along the Duwamish River to create and maintain robust river habitat, safe greenspaces, recreational amenities, and river access. Support the community's ongoing work to improve and maintain greenspaces, such as Gateway Park North and 12<sup>th</sup> Avenue South/South Elmgrove Street End and collaborate with the community to increase utilization of port greenspaces. Improve and maintain trail infrastructure for bike and pedestrian connectivity and safety at port properties. Encourage port-related industries and other public agencies to improve pedestrian and bicycle safety on corridors frequented by port traffic. Install green infrastructure, such as green walls, on port properties.
- (6) **Water Quality**. Continue seeking Salmon Safe certification at all port parks and public access areas. Promote community science projects that help identify community-based solutions to address port-related water quality impacts. Partner with the community, other public agencies, and key stakeholders on Duwamish watershed education and restoration programs. Implement green stormwater infrastructure on port properties. Partner with the NWSA to develop solutions to improve water quality. Conduct outreach with maritime and fishing industry partners to support sustainable and healthy seafood economies.

#### D. **Goal 3: Economic Prosperity in Place**

The port shall support anti-displacement solutions that enable the Duwamish Valley Community to thrive in place through equitable access to training, jobs, career pathways, and port-related economic opportunities. The DVCEP will foster collaboration with the community on economic development activities that advance mutually beneficial outcomes. The port's action areas include, but are not limited to:

- (1) **Recruiting and Retention**. Increase equitable access for employment and jobs at the port. Provide outreach about career opportunities at the port and in port-related industries. Continue the port's Priority Hire Policy to increase access to jobs, training, and apprenticeships. Foster a safe and inclusive work environment that ensures the retention, professional development, and career advancement of employees of color and other under-represented groups at the port. Explore the establishment of an inter-agency job information and training center to promote port-related careers.
- (2) **Youth Workforce Development**. Invest in youth workforce development programs that prepare youth in the community for opportunities in port-related career pathways. Provide outreach and career building trainings to youth, such as resume workshops. Support professional development in port-related industries, such as mentorship programs. Identify opportunities for youth to participate in port-

related trades and experiential learning activities. Partner with educational programs that link youth to career connected learning opportunities across all port-related industries. Promote youth-led community engagement activities. Sustain high-quality paid internship programs for youth at the port.

- (3) Adult Workforce Development. Invest in adult workforce development and training programs that prepare community members for opportunities in port-related career pathways. Expand educational opportunities and compensated, on-the-job training. Support the community's ongoing efforts to improve career pathways at the port and across port-related industries, such as the maritime habitat stewardship program. Promote recruitment for veteran fellows and other hiring and training opportunities through career fairs.
- (4) Economic Development. Assist the community in defining and executing their economic development priorities by facilitating community-led economic development strategic planning and community organization capacity building. Assist in implementing an economic development plan with the community leading the process. Promote inter-agency and business community collaborations to increase economic and workforce opportunities for the community. Build a network of resources for existing businesses and entrepreneurs that could support resilience against displacement. Cultivate new business ventures by supporting ownership and empowerment of aspiring entrepreneurs in the community. Provide information on port contracting and vendor opportunities to businesses.
- (5) Support for an Equitable, Diverse and Green Economy. Encourage port-related industries along the Duwamish River to support improved environmental health and community equity outcomes. Ensure that the port's strategic objective to preserve industrial lands includes the promotion of sustainability and economic prosperity for the community. Continue research and market development of new technologies and renewable resources, such as sustainable aviation fuel, to reduce the region's dependence on fossil fuels. Innovate workforce training and career pathways that prepare port-related industries to advance the region's green economy.

## **SECTION 6. Program Evaluation.**

- A. The Executive Director, or a delegate, shall establish benchmarks and metrics in collaboration with the IDT and the PCAT, to evaluate the DVCEP. Benchmarks and metrics, as defined in the strategic plan, shall include both quantitative and qualitative indicators that reflect the goals set forth in this commitment. For example:

- (1) Quantitative indicators may include, but are not limited to project costs, project completion times, completion rates of Duwamish Valley youth in internships, and hours spent conducting port recruitment events in the community.
  - (2) Qualitative indicators may include but are not limited to incorporation of the community and PCAT feedback into port decisions, experiences of improved engagement by port staff, and increased knowledge of equity, diversity, and inclusion efforts by port staff and the community.
  - (3) Program evaluation will consider relevant demographic data to better identify those currently benefiting from, or lacking access to, port programs and resources. Staff are tasked to collect disaggregated data when feasible.
- B. The Executive Director, or a delegate, in collaboration with the PCAT, shall provide an evaluation plan, which will describe how the DVCEP will be monitored and evaluated as well as how the evaluation results will be used for DVCEP improvement and decision making.
- C. The Executive Director, or a delegate, in collaboration with the PCAT, shall provide an annual report to update the port commission on the implementation of the DVCEP for the prior year.
- The report shall include, but is not limited to, the following:
- (1) A description of activities implemented;
  - (2) A description of the annual goals and accomplishments of the DVCEP;
  - (3) A description of problems and barriers encountered by participating stakeholders and steps taken to address the issues;
  - (4) A description of lessons learned and new best practices;
  - (5) A description of strategies and tools utilized;
  - (6) An analysis of resources and partnerships required to advance strategies; and
  - (7) Recommendations for new strategies to achieve DVCEP goals.
- D. The Executive Director, or a delegate, shall direct key port staff, in collaboration with the PCAT, to provide an annual update to the community using equitable engagement best practices.
- E. The Executive Director, or a delegate, will review DVCEP results annually to determine if the DVCEP is meeting the goals set forth in this commitment.
- F. The Executive Director, or a delegate, shall empower key port staff to revise actions to ensure that port staff continue to fully adhere with this commitment.

## ATTACHMENT A: SAMPLE 2020 WORK PLAN

### A. Introduction

In July 2019, the PCAT convened to identify priorities that will serve as the basis for all DVCEP activities for 2020. The below outline serves as a model for the development of annual work plans, and dates listed are subject to change.

### B. Responsibilities and Resources

The IDT consists of multiple port departments whose work plans align with the below priority areas. Represented departments in 2020 include: External Relations, Environment and Sustainability, Maritime Division/Marine Maintenance, NWSA, Economic Development, Human Resources, and the Office of Equity, Diversity, and Inclusion.

### C. Community Benefits Commitment Implementation

Upon commission adoption of the commitment, staff will administer the DVCEP at three levels:

#### (1) Duwamish Valley Community Equity Program Development

*Key strategy:* Institutionalize structures for shared decision-making, transparency, leadership, and influence on design and evaluation of the DVCEP and relevant port policies and practices.

- (a) By end of Q1, train the port's IDT.
- (b) By end of Q2, help coordinate meetings of external Duwamish Valley-focused IDTs.
- (c) Continue ongoing programming (such as, but not limited to: high school internship outreach, Duwamish River Festival, Duwamish Alive).
- (d) By end of Q3, work with PCAT in design of 3-year strategic plan, annual work plan, and evaluation plan to include benchmarks and metrics.

#### (2) PCAT Development

*Key strategy:* Support formalization of PCAT structure, leadership development, and collaboration with the port.

- (a) By end of Q1, support PCAT to recruit membership and gain capacity and skills through trainings.
- (b) By end of Q2, support increased community understanding of the program budget, governance procedures, and contracting processes.
- (c) By end of Q2, support PCAT to finalize bylaws and structure, determine roles/subcommittees, and discuss needs for additional partnerships and agreements.
- (d) By end of Q4, work with PCAT to implement PCAT-prioritized projects.

#### (3) PCAT-Prioritized Projects

*Key strategy:* Implementation of activities that achieve program outcomes. Creatively and proactively address historic and ongoing inequities in access to port benefits while minimizing community displacement.

**Goal 1: Community and Port Capacity Building for Ongoing Collaboration**

- (a) By end of Q2, work with external Duwamish Valley-focused IDTs to identify opportunities for coordination and leveraging of resources.
- (b) By end of Q4, host the third annual Multilingual Duwamish River Boat Tour.

**Goal 2: Healthy Environment and Communities**

- (a) By end of Q1, continue the port's maritime habitat stewardship program.
- (b) By end of Q3, continue NWSA air quality education projects in coordination with the Northwest Ports Clean Air Strategy and the Duwamish River Cleanup Coalition's Clean Air Program.
- (c) By end of Q3, complete a ground-truthing study to assess conditions of sidewalks and bike lanes on port properties.
- (d) By end of Q4, complete construction of shoreline restoration at 8th Avenue North/Gateway Park North.
- (e) By end of Q4, provide design progress on 12<sup>th</sup> Ave. South/South Elmwood Street shoreline restoration.

**Goal 3: Economic Prosperity in Place**

- (a) By end of Q2, begin a community-led economic development strategy.
- (b) By end of Q4, work with external Duwamish Valley-focused IDTs to explore the feasibility of an inter-agency job information and training center to promote port-related careers.
- (c) By end of Q4, study and define the opportunities within the port's legal authority to address anti-displacement. Begin design of an anti-displacement workshop that will help train the IDT and the community on program strategies and activities.

## **ATTACHMENT B: SAMPLE EVALUATION PLAN**

### **A. Introduction**

The evaluation plan is a roadmap that identifies the steps needed to assess the processes and or outcomes of the DVCEP. The evaluation plan: (1) describes the DCVEP and how its activities contribute to the intended effects; (2) clarifies the DVCEP's purpose and anticipated outcomes; and (3) outlines the processes for implementing the DVCEP and provides information about whether the DVCEP is operating as planned and achieving the intended goals or highlighting whether changes to the DVCEP need to be made.

### **B. Evaluation Plan Contents**

The document includes, but is not limited to, the following:

- (1) A description of the DVCEP;
- (2) A logic model or graphic representation of the relationship between DVCEP activities and intended effects;
- (3) An evaluation focus or a series of overarching evaluation questions that drives the criteria for prioritizing benchmarks and metrics;
- (4) The method in which the evaluation will be implemented, including evaluation indicators and performance measures, data sources and data collected methods, and roles and responsibilities;
- (5) An explanation of how information will be analyzed and interpreted, the audience for results, and when results will be delivered;
- (6) The method in which the results will be disseminated to stakeholders.

SAMPLE EVALUATION PLAN MATRIX – WHAT IS THE IMPACT ON THE COMMUNITY OF IMPLEMENTING ACTIONS?								
Duwamish Valley CBC Goal	Key Actions	Indicators / Performance Measures	Methods	Data Sources	Frequency	Lead	Century Agenda Alignment - Objectives	Century Agenda Alignment - Key Metrics
<u>Goal 1: Capacity Building for Ongoing Collaboration Between the Community &amp; Port</u>	Port outreach event targeting Limited English proficient population	<ul style="list-style-type: none"> <li># of community members with increased knowledge of opportunities to collaborate with the Port</li> </ul>	Survey	Participant survey data	Data collected pre and post Q4	Port of Seattle External Relations Department	Objective 12: Increase workforce training, job, and business opportunities for local communities in trade, travel, and logistics.	<ul style="list-style-type: none"> <li>Job / Apprenticeship Placements</li> <li>Retention / Advancement</li> <li>Priority Hire Utilization</li> <li>Career Connected Learning Participation (Employers and Students)</li> </ul>
<u>Goal 2: Healthy Environment &amp; Communities</u>	Air quality education programs	<ul style="list-style-type: none"> <li># of community members who participated in education programs</li> <li>Increased understanding of Port-related emissions</li> </ul>	Survey & qualitative data collection	Participant interview and survey data	Data collected by end of Q3	NWSA	Objective 15: Reduce air pollutants and carbon emissions	<ul style="list-style-type: none"> <li>Particulate Matter (PM) 2.5 Emissions (metric tons)/(% reduced)</li> <li>Diesel PM Emissions (metric tons)/(% reduced)</li> <li>Port GHG Emissions (metric tons)/(% reduced)</li> </ul>
<u>Goal 3: Economic Prosperity in Place</u>	Cultivate new business ventures through outreach	<ul style="list-style-type: none"> <li># of participants in trainings</li> <li>Increased awareness of contract opportunities with the Port</li> </ul>	Survey & qualitative data collection	Business owner interviews	Data collected by end of Q4	Port of Seattle Economic Development Department	Objective 10: Triple the number of WMBE firms that contract with the Port and increase to 15% the % of dollars spent on WMBE contracts within five years, 2018-2023.	<ul style="list-style-type: none"> <li>Number of WMBE both aggregated and disaggregated</li> <li>Percent of Port spend on WMBE businesses both aggregated and disaggregated</li> </ul>

# WHITE SUPREMACY CULTURE

by Tema Okun and Kenneth Jones

This is a list of characteristics of white supremacist culture which show up in our organizations. Culture is powerful precisely because it is so present and at the same time so very difficult to name or identify. The characteristics listed below are damaging because they are used as norms and standards without being pro-actively named or chosen by the group. They are damaging because they promote white supremacist thinking. They are damaging to both Black, Indigenous, and People of Color and to white people.

Organizations that are Black, Indigenous, and People of Color-led or a majority Black, Indigenous, and People of Color can also demonstrate many damaging characteristics of white supremacist culture.

## Perfectionism

- little appreciation expressed among people for the work that others are doing; appreciation that is expressed usually directed to those who get most of the credit anyway
- more common is to point out either how the person or work is inadequate
- or even more common, to talk to others about the inadequacies of a person or their work without ever talking directly to the person in question
- mistakes are seen as personal, i.e. they reflect badly on the person making them as opposed to being seen for what they are - mistakes
- making a mistake is confused with *being* a mistake, doing wrong with *being* wrong
- little time, energy, or money put into reflection or identifying lessons learned that can improve practice, in other words little or no learning from mistakes
- tendency to identify what's wrong; little ability to identify, name, and appreciate what's right



**Antidote:** develop a culture of appreciation, where the organization takes time to make sure that people's work and efforts are appreciated; develop a learning organization, where it is expected that everyone will make mistakes and those mistakes offer opportunities for learning; create an environment where people can recognize that mistakes sometimes lead to positive results; separate the person from the mistake; when offering feedback, always speak to the things that went well before offering criticism; ask people to offer specific suggestions for how to do things differently when offering feedback

## Sense of Urgency

- continued sense of urgency that makes it difficult to take time to be inclusive, encourage democratic and/or thoughtful decision-making, to think long-term, to consider consequences
- frequently results in sacrificing potential allies for quick or highly visible results, for example sacrificing interests of communities of color in order to win victories for white people (seen as the default or norm community)
- reinforced by funding proposals which promise too much work for too little money and by funders who expect too much for too little



**Antidote:** realistic work plans; leadership which understands that things take longer than anyone expects; discuss and plan for what it means to set goals of inclusivity and diversity, particularly in terms of time; learn from past experience how long things take; write realistic funding proposals with realistic time frames; be clear about how you will make good decisions in an atmosphere of urgency

## Defensiveness

- the organizational structure is set up and much energy is spent trying to prevent abuse and protect power as it exists rather than to facilitate the best out of each person or to clarify who has power and how they are expected to use it
- because of either/or thinking (see below), criticism of those with power is viewed as threatening and inappropriate (or rude)
- people respond to new or challenging ideas with defensiveness, making it very difficult to raise these ideas
- a lot of energy in the organization is spent trying to make sure that people's feelings aren't getting hurt or working around defensive people
- the defensiveness of people in power creates an oppressive culture



**Antidote:** understand that structure cannot in and of itself facilitate or prevent abuse; understand the link between defensiveness and fear (of losing power, losing face, losing comfort, losing privilege); work on your own defensiveness; name defensiveness as a problem when it is one; give people credit for being able to handle more than you think; discuss the ways in which defensiveness or resistance to new ideas gets in the way of the organizational mission

## Quantity over Quality

- all resources of the organization are directed toward producing measurable goals
- things that can be measured are more highly valued than things that cannot, for example numbers of people attending a meeting, newsletter circulation, money spent are valued more than quality of relationships, democratic decision-making, ability to constructively deal with conflict
- little or no value attached to process; if it can't be measured, it has no value
- discomfort with emotion and feelings
- no understanding that when there is a conflict between content (the agenda of the meeting) and process (people's need to be heard or engaged), process will prevail (for example, you may get through the agenda, but if you haven't paid attention to people's need to be heard, the decisions made at the meeting are undermined and/or disregarded)



**Antidote:** include process or quality goals in your planning; make sure your organization has a values statement which expresses the ways in which you want to do your work; make sure this is a living document and that people are using it in their day to day work; look for ways to measure process goals (for example if you have a goal of inclusivity, think about ways you can measure whether or not you have achieved that goal); learn to recognize those times when you need to get off the agenda in order to address people's underlying concerns

## Worship of the Written Word

- if it's not in a memo, it doesn't exist
- the organization does not take into account or value other ways in which information gets shared
- those with strong documentation and writing skills are more highly valued, even in organizations where ability to relate to others is key to the mission



**Antidote:** take the time to analyze how people inside and outside the organization get and share information; figure out which things need to be written down and come up with alternative ways to document what is happening; work to recognize the contributions and skills that every person brings to the organization (for example, the ability to build relationships with those who are important to the organization's mission)

### Only One Right Way

- the belief there is one right way to do things and once people are introduced to the right way, they will see the light and adopt it
- when they do not adapt or change, then something is wrong with them (the other, those not changing), not with us (those who 'know' the right way)
- similar to the missionary who does not see value in the culture of other communities, sees only value in their beliefs about what is good



**Antidote:** accept that there are many ways to get to the same goal; once the group has made a decision about which way will be taken, honor that decision and see what you and the organization will learn from taking that way, even and especially if it is not the way you would have chosen; work on developing the ability to notice when people do things differently and how those different ways might improve your approach; look for the tendency for a group or a person to keep pushing the same point over and over out of a belief that there is only one right way and then name it; when working with communities from a different culture than yours or your organization's, be clear that you have some learning to do about the communities' ways of doing; never assume that you or your organization know what's best for the community in isolation from meaningful relationships with that community

### Paternalism

- decision-making is clear to those with power and unclear to those without it
- those with power think they are capable of making decisions for and in the interests of those without power
- those with power often don't think it is important or necessary to understand the viewpoint or experience of those for whom they are making decisions
- those without power understand they do not have it and understand who does
- those without power do not really know how decisions get made and who makes what decisions, and yet they are completely familiar with the impact of those decisions on them



**Antidote:** make sure that everyone knows and understands who makes what decisions in the organization; make sure everyone knows and understands their level of responsibility and authority in the organization; include people who are affected by decisions in the decision-making

### Either/Or Thinking

- things are either/or - good/bad, right/wrong, with us/against us
- closely linked to perfectionism in making it difficult to learn from mistakes or accommodate conflict
- no sense that things can be both / and - always one extremity or another, little room for middle ground
- results in trying to simplify complex things, for example believing that poverty is simply a result of lack of education
- creates conflict and increases sense of urgency, as people feel they have to make decisions to do either this or that, with no time or encouragement to consider alternatives, particularly those which may require more time or resources



**Antidote:** notice when people use 'either/or' language and push to come up with more than two alternatives; notice when people are simplifying complex issues, particularly when the stakes seem high or an urgent decision needs to be made; slow it down and encourage people to do a deeper analysis; when people are faced with an urgent decision, take a break and give people some breathing room to think creatively; avoid making decisions under extreme pressure

### Power Hoarding

- little, if any, value around sharing power
- power seen as limited, only so much to go around
- those with power feel threatened when anyone suggests changes in how things should be done in the organization, feel suggestions for change are a reflection on their leadership
- those with power don't see themselves as hoarding power or as feeling threatened
- those with power assume they have the best interests of the organization at heart and assume those wanting change are ill-informed, emotional, inexperienced



**Antidote:** include power sharing in your organization's values statement; discuss what good leadership looks like and make sure people understand that a good leader develops the power and skills of others; understand that change is inevitable and challenges to your leadership can be healthy and productive; make sure the organization is focused on the mission

## Fear of Open Conflict

- people in power are scared of conflict and try to ignore it or run from it
- when someone raises an issue that causes discomfort, the response is to blame the person for raising the issue rather than to look at the issue which is actually causing the problem
- emphasis on being polite
- equating the raising of difficult issues with being impolite, rude, or out of line



**Antidote:** role play ways to handle conflict before conflict happens; distinguish between being polite and raising hard issues; don't require those who raise hard issues to raise them in 'acceptable' ways, especially if you are using the ways in which issues are raised as an excuse not to address the issues being raised; once a conflict is resolved, take the opportunity to revisit it and see how it might have been handled differently

## Individualism

- little experience or comfort working as part of a team
- people in organization believe they are responsible for solving problems alone
- accountability, if any, goes up and down, not sideways to peers or to those the organization is set up to serve
- desire for individual recognition and credit leads to isolation
- competition more highly valued than cooperation and where cooperation is valued, little time or resources devoted to developing skills in how to cooperate
- creates a lack of accountability, as the organization values those who can get things done on their own without needing supervision or guidance



**Antidote:** include teamwork as an important value in your values statement; make sure the organization is working towards shared goals and people understand how working together will improve performance; evaluate people's ability to work in a team as well as their ability to get the job done; make sure that credit is given to all those who participate in an effort, not just the leaders or most public person; make people accountable as a group rather than as individuals; create a culture where people bring problems to the group; use staff meetings as a place to raise issues and solve problems, not just a place to report activities

### I'm the only one

- connected to individualism, the belief that if something is going to get done right, *I have to do it*
- little or no ability to delegate work to others



**Antidote:** evaluate people based on their ability to delegate to others; evaluate people based on their ability to work as part of a team to accomplish shared goals

### Progress is Bigger, More

- observed in systems of accountability and ways we determine success
- progress is an organization which expands (adds staff, adds projects) or develops the ability to serve more people (regardless of how well they are being served)
- gives no value, not even negative value, to its cost, for example, increased accountability to funders as the budget grows, ways in which those we serve may be exploited, excluded, or underserved as we focus on how many we are serving instead of quality of service or values created by the ways in which we serve



**Antidote:** create *Seventh Generation* thinking by asking “how the actions of the group now will affect people seven generations from now”; make sure that any cost/benefit analysis includes all the costs, not just the financial ones, for example the cost in morale, the cost in credibility, the cost in the use of resources; include process goals in your planning, for example, make sure that your goals speak to how you want to *do* your work, not just what you want to do; ask those you work with and for to evaluate your performance

## Objectivity

- the belief that there is such a thing as being objective
- the belief that emotions are inherently destructive, irrational, and should not play a role in decision-making or group process
- invalidating people who show emotion
- requiring people to think in a linear fashion and ignoring or invalidating those who think in other ways
- impatience with any thinking that does not appear 'logical' to those with power



**Antidote:** realize that everybody has a world view and that everybody's worldview affects the way they understand things; realize this means you too; push yourself to sit with discomfort when people are expressing themselves in ways which are not familiar to you; assume that everybody has a valid point and your job is to understand what that point is

## Right to Comfort

- the belief that those with power have a right to emotional and psychological comfort (another aspect of valuing 'logic' over emotion)
- scapegoating those who cause discomfort
- equating individual acts of unfairness against white people with systemic racism which daily targets people of color



**Antidote:** understand that discomfort is at the root of all growth and learning; welcome it as much as you can; deepen your political analysis of racism and oppression so you have a strong understanding of how your personal experience and feelings fit into a larger picture; don't take everything personally

One of the values of listing the characteristics of white supremacist culture is to point out how organizations which unconsciously use these characteristics as their norms and standards make it difficult, if not impossible, to open the door to other cultural norms and standards. As a result many of our organizations, while saying we want to be multicultural, really only allow other people and cultures to come in **if they adapt or conform to already existing cultural norms**. Being able to identify and name the cultural norms and standards you want is a first step to making room for a truly multicultural organization.



An excerpt from

[Dismantling Racism: A Workbook for Social Change Groups \(2001\)](#)



**Duwamish Valley Port Community Action Team  
Vision, Mission, and Values Statements  
Summer 2022**

## Vision

To create a healthy and economically vibrant Duwamish Valley where people can stay in place.

## Mission

The Duwamish Valley Port Community Action Team is a group of neighbors from Georgetown and South Park who are collaborating with the Port of Seattle to remedy their historical and current disproportionate, cumulative impacts to the environment and its people. To further our goals of a healthy, sustainable community, we have created a Community Benefits Commitment with the Port based on the principles of equity, anti-displacement, and empowerment. Our agreement focuses on promoting a clean environment, increasing economic opportunities, and building community capacity.

## Values

We as the Port Community Action Team (PCAT) recognize that we are on unceded Duwamish Land and Territory, one of the First People of Seattle and King County, and we will do whatever we can to support the Duwamish People.

We are an actively anti-racist collective that works to dismantle oppression in all its forms.

We actively celebrate our diverse heritage and the community contributions that represent the makeup of the community in terms of race, ethnicity, gender, immigration status, sexual orientation, physical abilities, and gender identity.

We are a united coalition for the Georgetown and South Park neighborhoods.

We advocate for the community to the Port.

We help facilitate access to Port distributed resources equitably throughout our community.

We advocate at the Port for anti-racist based policies and programs that affect our region in general, and our Duwamish Valley community most specifically.

We elevate community voices that are often left out of the discussion.

# Commissioner Briefing:

## Duwamish Valley Community Equity Program and Duwamish River Green Jobs Program

October 25, 2022

- **Christina Billingsley**, Sr. Program Manager, External Relations
- **Dre Avila**, Duwamish Valley Port Community Action Team – Georgetown
- **Tiffany Sevilla**, Workforce Development Program Manager, Office of Equity, Diversity, and Inclusion
- **Alexis Sorm**, Green Jobs Program Alumni



# Founding Policy – Resolution 3767: Duwamish Valley Community Benefits Commitment

- In 2019, Commission adopted shared goals between Port and Duwamish Valley Community
1. **Capacity Building for Ongoing Port-Community Collaboration**
  2. **Healthy Environment and Communities**
  3. **Economic Prosperity in Place**



# Goal 1: Community Leadership and Capacity Building



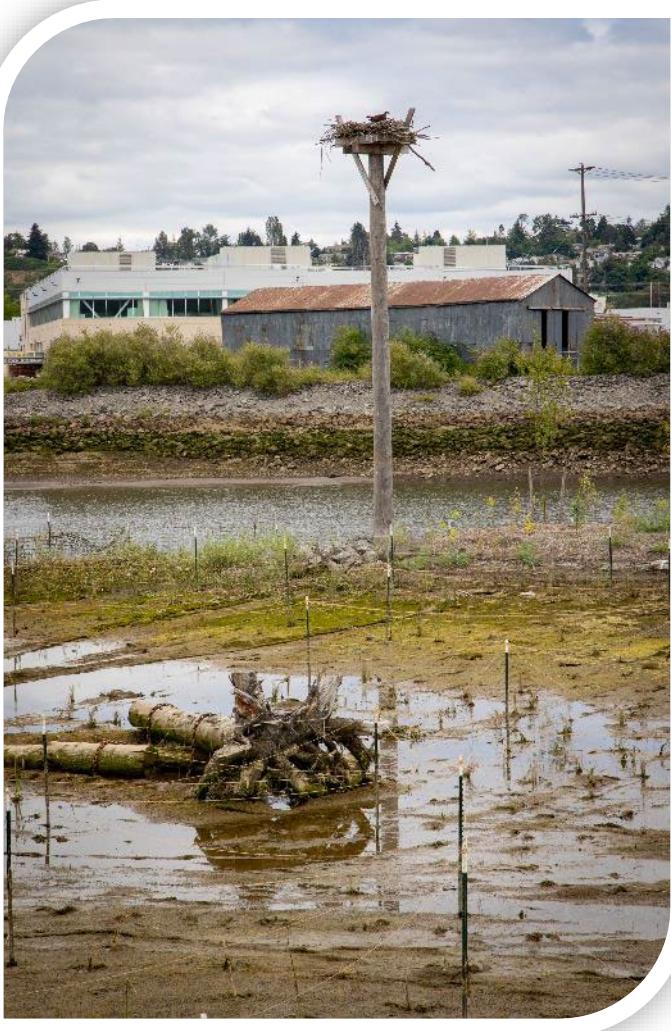
# Goal 2: Healthy Environment and Community



# Goal 3: Economic Prosperity in Place



# Duwamish River Green Jobs Program



# Centering Duwamish River “green careers”



Land-based  
shoreline  
habitat  
restoration

Water-based  
environmental  
education

Green  
stormwater  
infrastructure

# Green Jobs Program – Participant Experience



# Community Priorities 2023+



## Capacity building

- Strategic planning
- Budgeting
- PCAT Structure
- PCAT Recruitment

## Healthy Environment and Community

- Green Jobs
- Clean Air
- Bike & Pedestrian Safety

## Economic Prosperity in Place

- Small Business Support
- Career Fairs
- Hub activation

# Questions?



- Christina Billingsley, Sr Program Manager, Environmental Engagement  
[billingsley.c@portseattle.org](mailto:billingsley.c@portseattle.org)
- 206.915.9071
- Tiffany Sevilla, Workforce Development Program Manager and Data Analyst  
[sevilla.t@portseattle.org](mailto:sevilla.t@portseattle.org)
- 206.573.0751

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11b

**Item No.** 11b

**DATE:** October 5, 2022  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Stan Shepherd, Sr Manager, Airport Noise Programs  
Tom Fagerstrom, Airport Noise Programs Coordinator  
Sarah Cox, Director, Aviation Environment & Sustainability  
**SUBJECT: Briefing on the SEA Part 150 Noise and Land Use Compatibility Study Update**

## **EXECUTIVE SUMMARY**

A Part 150 Noise and Land Use Compatibility Study is required by the Federal Aviation Administration (FAA) to update airport noise compatibility programs and establish eligibility for Airport Improvement Program (AIP) grant funds. SEA's last Part 150 update was completed and approved by the FAA in 2014.

In 1985 the Port completed the first Part 150 Study at SEA. Since that time there have been three other updates to the Study in 1993, 2002, and 2014. Through our Part 150 noise mitigation programs, flight tracking, noise monitoring, and airline outreach incentive programs, the Port has been a national leader in both sound mitigation and noise abatement. To date we have spent over \$400 million on total mitigation programs including home and school insulation, and property acquisition and relocations associated with the Third Runway project. Noise Abatement programs have encouraged airline usage of newer and quieter aircraft, promoted high FAA compliance levels with noise abatement flight paths and procedures, and deployed a comprehensive flight tracking and noise monitoring system.

A Part 150 Study is a multi-year effort that assesses current and future aircraft noise levels and their associated effects within impacted areas of the surrounding communities. The study establishes land use guidelines and identifies areas of significant aircraft noise and incompatible land uses. Part 150 regulation establishes that an area is considered impacted by aircraft noise when located within a 65 DNL noise contour. DNL is an annual average of aircraft noise and is the FAA required noise metric to be used in Part 150 studies. The study process includes extensive community involvement, including the scheduling of multiple public meetings.

A consulting team will be chosen to lead the study and will typically consist of professionals in land use planning, public relations, aviation noise, and environmental issues. In addition to consultants, Port employees will participate in the update in the areas of land use planning, GIS applications, community outreach, environmental evaluations, and noise. The work that will be

Meeting Date: October 25, 2022

performed by the consulting team is highly technical and must be consistent with federal regulations and address a wide array of community interests.

### **JUSTIFICATION**

Since the completion of the previous Part 150 update in 2014, many changes have taken place in the airport's noise environment. Airline fleets have changed due to the introduction of many newer generation aircraft. Regional population growth has led to steadily increasing passenger demands on SEA. Aircraft operations (takeoffs and landings) have increased, and associated noise is a concern for local communities.

### **DETAILS**

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

The major focus of the Part 150 Noise and Land Use Compatibility Study update will be to determine and analyze any changes in the 65 DNL noise environment compatibility since the completion of the previous update in 2014 to determine if any additional sound insulation programs could be eligible. Other areas of focus will include analysis of SEA's noise abatement programs, noise monitoring locations and possible opportunities for improved deployment.

Once a consultant is hired, a detailed full project scope of work will be developed using their expertise in the prescriptive Part 150 process outlined in the regulation and will be discussed with the commission before finalizing.

Elements of a Part 150 process typically include:

- Developing a Public Involvement Plan
- Developing an inventory of existing conditions
- Preparing (or evaluating existing) Aviation Demand Forecasts
- Evaluating the need for additional noise measurements
- Preparing an existing conditions DNL noise contour
- Preparing a future 5-year conditions DNL noise contour
- Evaluating land use and community noise impacts based on prepared contours
- Evaluating noise abatement procedure alternatives
- Preparing a final Noise Compatibility Plan (NCP)

#### ***Schedule***

Part 150 studies are multi-year efforts that include extensive community outreach and involvement. An initial schedule of milestones leading to project kickoff is included in this section. Staff will return to the Commission in November for project authorization and to contract for the consultant team. Commission will be briefed multiple times throughout the

Meeting Date: October 25, 2022

Part 150 study to provide updates on the progress, associated costs, and community involvement.

Activity	Timeframe
Commission authorization to contract	2022 Quarter 4
Consultant Advertisement	2022 Quarter 4
Consultant selection	2023 Quarter 2
Project scope agreement & data collection	2023 Quarter 3
Full project kickoff/public outreach	2024 Quarter 1

#### ***Estimated Cost Breakdown***

	To be Authorized	Total Project Estimate
Project Cost	\$6,000,000	\$7,000,000
<b>Total</b>	<b>\$6,000,000</b>	<b>\$7,000,000</b>

*\*Previous authorization of \$1M was included with the April 12, 2022, legal settlement agreement (see Previous Commission Actions listed below)*

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

This project will be included in the Noise Programs department operating expense budget on an annual basis during the project. The Port anticipates it will be reimbursed approximately 80% through the FAA's Airport Improvement Program (AIP) grant with the remaining 20% being funded by the Airport Development Funds (ADF). The spending cashflow is anticipated to be approximately \$500K in 2023, \$2M in 2024, \$2M in 2025 and \$2.5M in 2026.

#### **ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS**

This update will enable the Airport to evaluate any operational changes, and associated noise effects, as a result of increased operations and airline fleet changes. Prior noise contours will be compared with current contours to determine if greater or lesser noise impacts exist. If greater impacts exist, that information will be useful to planning future Port and FAA noise mitigation efforts for the community.

#### **ATTACHMENTS TO THIS BRIEFING**

- (1) Part 150 Study Update Resolution No. 3683
- (2) Presentation slides

Meeting Date: October 25, 2022

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

April 12, 2022 – The Commission authorized a legal settlement agreement that included a commitment to engage a consultant to conduct a full Part 150 update for SEA Airport which will include noise contours for the airport and to make a budget commitment in 2023 for funding commencement of the update. This action also included the authorization of \$1M to begin the Part 150 Study Update.

October 22, 2013 – The Commission approved Resolution No. 3683, which updated the Part 150 program by adding operational and land use elements to the Airport's Noise Compatibility Plan, which was formally approved by the FAA in 2014.

December 12, 2000 – The Commission approved Resolution 3443, which updated the Part 150 program by adding operational and land use elements to the Airports Noise Compatibility Plan, which was formally approved by the FAA in 2002.

July 13, 1993 – The Commission adopted Resolution No. 3144 which Amended the Part 150 program to include additional operational and land use elements to the Airports Noise Compatibility Plan.

January 8, 1985 – The Commission adopted Resolution No. 2943; creating the first Seattle-Tacoma International Airport Part 150 program which established the Port's Noise Acquisition and Insulation programs.

## **RESOLUTION NO. 3683**

**A RESOLUTION** of the Port Commission of the Port of Seattle, concluding the 2013 Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

**WHEREAS**, Seattle-Tacoma International Airport is an essential regional economic contributor and transportation facility and the Port of Seattle Commission recognizes that responsible stewardship of this facility must include effective programs, strategies, and technologies to reduce noise impacts resulting from aircraft operations; and

**WHEREAS**, in 1985, the Federal Aviation Administration (FAA) approved the Airport's Part 150 Noise and Land Use Compatibility Study (Part 150 Study) established by Resolution No. 2943, as amended; and

**WHEREAS**, in 1993, the Commission adopted Resolution No. 3144, setting forth amendments to the Part 150 Study following a substantial public process review, and the FAA subsequently approved those amendments; and

**WHEREAS**, in 2000, the Commission adopted Resolution No. 3443 setting forth amendments to the Part 150 Study following substantial public process review and the FAA subsequently approved those amendments; and

**WHEREAS**, in 2009, the Port engaged in an update to the Part 150 Study, culminating with this Resolution; and

**WHEREAS**, in 2009, the Port formed a Technical Review Committee (TRC), consisting of land use planners from local jurisdictions, the FAA and other aviation-related professionals to assist in the Part 150 Study's review; and

**WHEREAS**, citizens of the region were provided multiple opportunities to participate in the Part 150 Study process, express concerns regarding noise impacts

resulting from operations at Sea-Tac Airport and offer suggestions on how to reduce those impacts; and

**WHEREAS**, the Part 150 Study document includes review and analysis of alternatives and suggestions provided by the general public; and

**WHEREAS**, the results of all analyses have been made available to the public; and

**WHEREAS**, a public comment period for the Part 150 document and the related State Environmental Policy Act (SEPA) review occurred from April 15, 2013, to May 30, 2013; and

**WHEREAS**, a formal public hearing on the Part 150 Study recommendations and proposed SEPA Determination of Non-Significance was held on May 15, 2013; and

**WHEREAS**, a SEPA Determination of Non-Significance was issued on August 30, 2013; and

**WHEREAS**, the Port Commission at its Regular Commission Meeting on September 24, 2013, received a briefing from Port staff on the final recommendations;

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

**Section 1.** The Part 150 Study prepared updated Noise Exposure Maps for Seattle-Tacoma International Airport for Existing (2013) and Future (2018) conditions. Port staff is directed to submit the updated Noise Exposure Maps to the FAA for final review and acceptance.

**Section 2.** The Part 150 Study is hereby amended to include Continuing Measures from previous Part 150 Studies and new Abatement, Mitigation and Program Management Alternatives set forth herein. Port staff is directed to submit these Alternatives to the FAA for final review and approval and, upon FAA approval, to implement the directives in this Resolution, subject to Port and FAA funding and all other required Port Commission approvals.

**Section 3.** Continuing Measures:

- a) Insulation of Schools: As required Port, Federal Aviation Administration (FAA), and State funding permits, continue the sound insulation program for Highline Community College buildings and schools in the Highline School District that were previously identified as eligible.
- b) Property Advisory Service: Provide residents and property owners within the nearby communities access to timely and factual information concerning noise programs and options for mitigation.
- c) Local Government Remedy Support: Encourage the local jurisdictions to undertake projects, provide services, and adopt laws that reinforce neighborhoods and make them more compatible with airport operations.
- d) Funding for Land Use and Noise Compatibly Planning: Assist local public agencies having planning authority within the 65 DNL Noise Contour with application for reimbursable funding for specific off-airport land use and noise compatibility planning efforts that are consistent with the Part 150 guidelines and the Port's noise compatibility goals.
- e) Prepare Cooperative Development Agreements: Continue to address development potential within local jurisdictions for areas included within the modified Noise Remedy Boundary.
- f) Explore Limited Rescheduling of Nighttime Flights: This measure involves the voluntary rescheduling of aircraft flight times for nighttime short-haul flights.
- g) Use VOR Radials to Curb Aircraft Drifting from Noise Abatement Tracks: This measure uses very high frequency (VHF) Omnidirectional range radials (VOR) to curb departing aircraft from drifting off the runway heading tracks as specified in the FAA Tower Order.
- h) Preferential Runway Use: This measure implements a preferential runway system during the nighttime hours for operations through the north flow nighttime noise abatement corridor.
- i) Use of Flight Management System (FMS) Procedures: This measure is designed to encourage the use of FMS procedures to improve noise abatement corridor compliance.
- j) Use of Ground Equipment: This measure recommends the installation of power and conditioned air in existing and newly constructed gates to minimize the use of aircraft auxiliary power units.

#### **Section 4.** Abatement Alternatives:

- a) **Ground Run-up Enclosure (GRE):** GREs can provide significant noise reduction during aircraft engine maintenance testing. The Part 150's GRE Siting Study identified three feasible locations that would provide a quantifiable noise reduction impact for the surrounding communities during engine testing. The Port shall determine an exact location for a GRE on the airfield through the ongoing Sustainable Airport Master Planning process.
- b) **Maintenance Run-Up Regulations:** Continue with existing measures and modify these measures to include the use of the Ground Run-Up Enclosure (GRE) if constructed.
- c) **Expand the Fly Quiet Program:** The Port established a Fly Quiet Program following the recommendation from the 2000 Part 150 Study Update. This measure would modify the program to include:
  - a. Use of Air Traffic Control Tower reporting of operational modes for comparison to runway use goals
  - b. Provisions for the use of a GRE once it's constructed
  - c. Different categories of airline operations

#### **Section 5.** Mitigation Alternatives:

- a) **Noise Contours:** The Port shall adopt the 2018 65 DNL noise contour as the basis for the Port Noise Compatibility Program and all related programs.
- b) **Single Family Sound Insulation:** The Port shall provide for the installation of sound insulation in single-family residential units within the modified Noise Remedy Boundary based on the 2018 65 DNL Contour.
- c) **Owner-Occupied Multi-family (Condominiums) Insulation:** The Port shall provide for the installation of sound insulation in owner-occupied multi-family units within the modified Noise Remedy Boundary based on the 2018 65 DNL Contour.
- d) **Tenant-Occupied Multi-family (Apartments) Insulation:** The Port shall conduct a pilot program to sound insulate tenant-occupied units within the modified Noise Remedy Boundary based on the 2018 65 DNL Contour.
- e) **Avigation Easements for Owners of Mobile Homes on Private Lots:** The Port shall develop a program to offer compensation to owners of mobile homes on individual lots in return for removing the mobile homes and/or providing avigation easements for air rights. This would be offered as a pilot program to eligible property owners within the modified Noise Remedy Boundary based on the 2018 65 DNL Contour.
- f) **Churches and Places of Worship Sound Insulation:** The Port shall initiate a formal study to evaluate the noise levels at various churches/places of

worship within the modified Noise Remedy Boundary based on the 2018 65 DNL Contour.

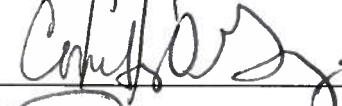
- g) Property Advisory Service: The Port shall provide residents and property owners within the nearby communities access to timely and factual information concerning (1) eligibility for noise mitigation programs; (2) assistance with making decisions on different options; (3) information regarding the mitigation programs; and (4) assurances that the programs are intended to improve the living, working, and leisure-time environment.
- h) Local Government Remedy Support: The Port will encourage local jurisdictions to undertake projects, provide services, and adopt laws that reinforce neighborhoods and make them compatible with the airport operations.
- i) Funding for Land Use and Noise Compatibility Planning: Port staff shall assist public agencies having planning authority within the 65 DNL Noise Contour with application for reimbursable funding for specific off-airport land use/noise compatibility planning efforts that are consistent with the Title 14 CFR Part 150 guidelines and the Port's noise compatibility goals.
- j) Approach Transition Zone Acquisition: Port Staff shall acquire on a voluntary basis residential properties experiencing noise levels of 65 DNL or greater, located within the South Approach Transition Zone.
- k) Prepare Cooperative Development Agreements: Port staff shall continue to address development potential with local jurisdictions for areas included within the modified Noise Remedy Boundary.

## Section 6. Program Management Alternatives:

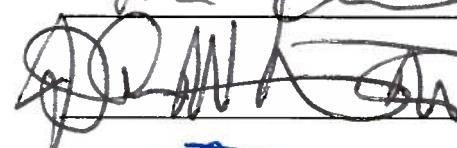
- a) Evaluate Noise Monitoring and Flight Tracking System: The Port shall evaluate the permanent noise monitoring and flight tracking system software and hardware to determine alternatives for newer, more reliable and cost effective systems.
- b) Periodically Review and, if Necessary, Update the Noise Exposure Maps (NEMs) and the Noise Compatibility Program (NCP): Port staff shall periodically review the NEMs and NCP to determine if any significant changes have occurred to the noise environment in accordance with the FAA's guidelines.
- c) Continue to operate the Noise Office: The Port shall adequately staff and operate the Noise Office to carry out provisions of the Part 150 Study and provide noise-related community programs.

**ADOPTED** by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this 22<sup>nd</sup> day of October, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Port Commission.

  
**BILL BRYANT**

  
**COURTNEY GREGOIRE**

  
**TOM ALBRO**

  
**JOHN CREIGHTON**

  
**STEPHANIE BOWMAN**

Port Commission

Item No. 11b supp  
Meeting Date: October 25, 2022

# Part 150 Noise and Land Use Compatibility Study Briefing

October 25, 2022



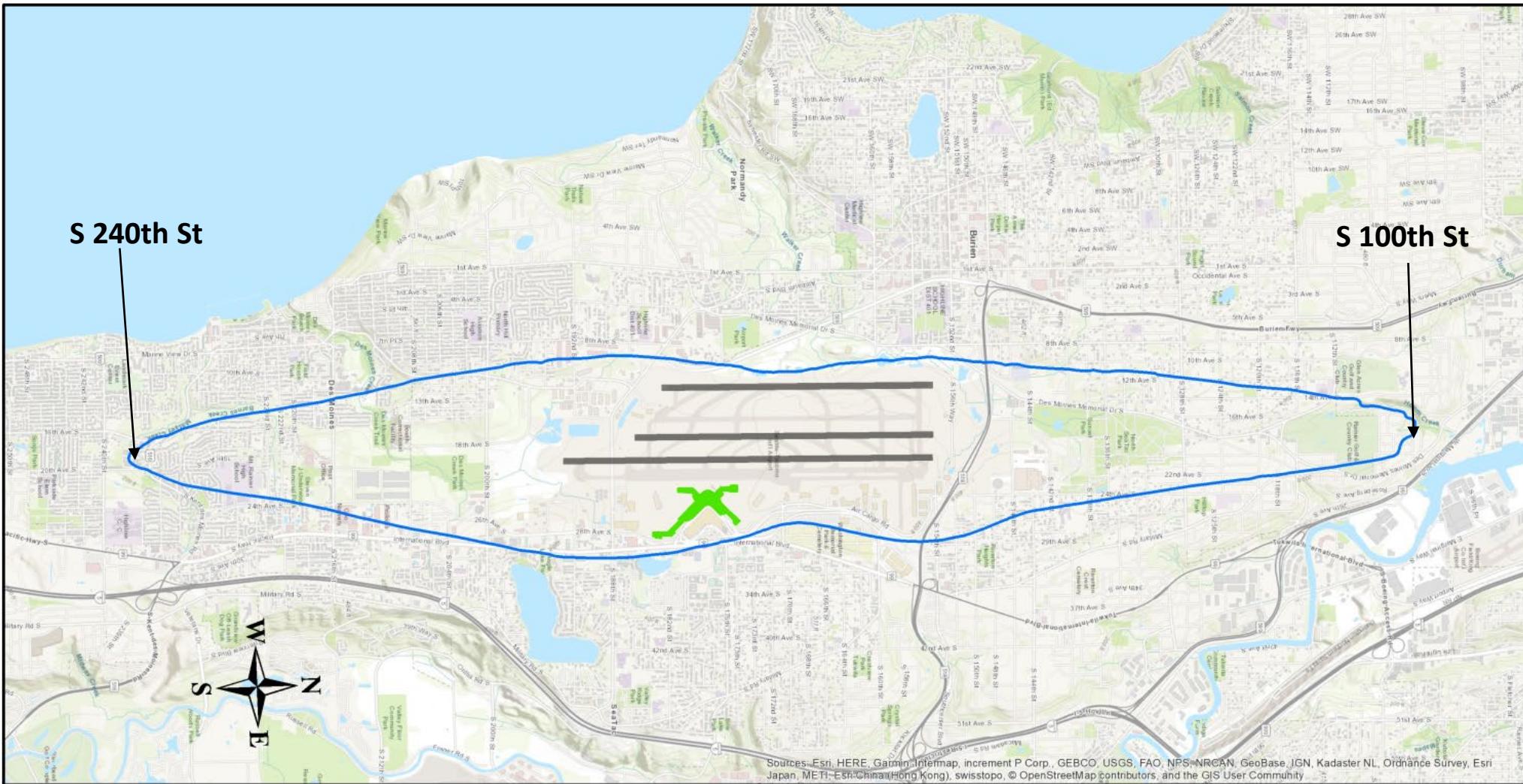
# Part 150 Overview

- Code of Federal Regulations 14 (CFR 14) Part 150 – FAA established study guidelines
- Airports must follow those guidelines to obtain FAA Airport Improvement Program (AIP) grant funding for abatement and mitigation projects
- Part 150s focus on airport noise and land use incompatibilities within the 65 Day/Night Level (DNL) contour
- Updated 65 DNL noise contours are the required outcome of a Part 150
- FAA-approved mitigation measures become eligible for AIP funding at 80%

# DNL Noise Contour

- Day Night Level (DNL) – annual average of noise from aircraft operating at SEA
- Contours must be produced using the FAA-required Aircraft Environmental Design Tool (AEDT)
- 65 DNL is the FAA-required metric and level
- Contours are depictions of the cumulative impacts of aircraft noise, and must be reviewed and approved by the FAA
- FAA will not allow the use of noise monitoring data to assess impacts
- The 65 DNL contour is the basis for land use analysis in the Part 150
- Current and future noise impacts will be assessed

# SEA 2018 DNL Contour



# Part 150 Land Use Planning

- Identify noise incompatibilities within surrounding communities - below 65 DNL is compatible with all uses
- Incompatible land uses at or above 65 DNL:
  - Residential
  - Schools
  - Places of worship
  - Hospitals
  - Nursing homes
  - Daycare facilities with licensed educators
- Evaluate new potential noise abatement initiatives
- Evaluate ongoing programs from past Part 150 Studies

# SEA Part 150 Studies

- Initial study completed in 1985
- Updates
  - 1992
  - 2002
  - 2014
- Extensive public involvement



# 2014 Part 150 Study Record of Approval

## – Noise Mitigation

- Updated noise remedy boundary
- Continuation of single-family sound insulation
- New Condominium sound insulation
- New Apartment sound insulation
- Continuation of School Sound Insulation Program
- Voluntary acquisition of residential in 3<sup>rd</sup> runway South Approach Transition Zone (ATZ)



# 2014 Part 150 Study Record of Approval

- Noise Abatement
  - Continuation of Aircraft Maintenance Run-up restrictions
  - Continuation of the Fly Quiet Program including monitoring noise abatement procedures in place
  - Ongoing monitoring of the Noise Abatement Corridors
  - Evaluate and Upgrade the Noise Monitoring System
  - Continue to operate the Noise Programs Office



# New SEA Part 150 Study Update

- Consulting firm will be hired to lead the study and provide technical expertise
- Finalizing the initial consultant scope
  - Detailed project scope will be developed with chosen consultant and presented to the Commission for input
- Consultant procurement finalized by mid year 2023
- Study development and data collection late 2023
- Full public study outreach anticipated early 2024
- Multi-year study that may take 4-7 years to complete

# Commission Project Authorization

## November 8<sup>th</sup>

- \$1M – authorized in 2022
- \$6M – this request to fully fund the project
- Authorization to procure consultant and execute contract

[RETURN TO AGENDA](#)



**COMMISSION**  
**AGENDA MEMORANDUM**

**BRIEFING ITEM**

**Item No.** 11c

**Date of Meeting** October 25, 2022

**DATE:** October 4, 2022

**TO:** Stephen Metruck, Executive Director

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

**SUBJECT:** Briefing on the Tax Levy Draft Plan of Finance for 2023-2027

**EXECUTIVE SUMMARY**

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2023 budget year and to inform the Commission on the Port's funding of its 2023-2027 Capital Investment Plan (CIP) - the Draft Plan of Finance.

**BACKGROUND**

Ports in Washington State have authority to levy taxes on property within the port district, within certain statutory limits; the Port may use this strategic resource for any allowable port purpose other than the payment of revenue bond debt service. As part of the Port's budget process, the Commission establishes the amount of taxes to be levied within the Port district for the budget year. Staff will provide information on the uses of the tax levy and will seek Commission guidance on the establishment of the 2023 tax levy amount and uses. For the 2022 budget, the Commission authorized a levy of \$81.04 million. The Draft Plan of Finance incorporates a two percent annual increase in the tax levy, bringing the 2023 tax levy to \$82.66 million.

As part of the annual budget process, staff provides a Draft Plan of Finance that is updated each year for the subsequent five-year CIP and provides information on the funding sources available to support the CIP. The Draft Plan of Finance is intended to illustrate the Port's capacity to fund investments based on the projected available resources. Because it incorporates the 2023 operating budgets and forecasts and the tax levy, decisions made as part of the budget process affect funding resources. Staff has developed a Draft Plan of Finance for the Airport as a self-funding enterprise. The Port's non-Airport operations – Maritime, Economic Development and the Port's participation in the Northwest Seaport Alliance (NWSA) - share funding resources and the Draft Plan of Finance incorporates funding for both Port and NWSA CIPs.

Meeting Date: October 25, 2022

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 11, 2022(PM) – Maritime and EDD CIP and Operating Budgets Briefing

October 11, 2022 (AM) – Aviation Division CIP and Operating Budgets Briefing

September 27, 2022 – 2023 Central Services Preliminary Budget and Portwide Rollup Briefing

August 1, 2022 – Commission Budget Planning Retreat

July 26, 2022 – 2023 Budget Development Briefing

June 14, 2022 – Commission Budget Planning Retreat

Item No. 11c supp  
Date of Meeting: October 25, 2022

# Draft Plan of Finance 2023-2027 and Tax Levy Briefing

October 25, 2022



# Overview

- Budget Process Timeline
- Bottom line Up Front
- Tax Levy Background and Recommendation for 2023
- Looking over the Horizon
- Draft Plan of Finance
  - Capital Planning and Funding: Non-Airport
  - Capital Planning and Funding: Airport
- Appendix

# 2023 Budget Process



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

# Bottom Line Upfront

- Recommending a 2% annual levy increase over the next five years
  - Key projects need to be funded by the levy over the next few years
  - Future levy capacity needed to fund environmental clean-up obligations
- Funding capital plan remains critical to providing and maintaining Port's vital transportation infrastructure
  - Sustains jobs, community, and environment
  - Tremendous amount of capital projects in the pipeline
- Looking into the future, need to analyze anticipated uses of levy and funding of capital program and adjust strategies and policies as appropriate

# Tax Levy Background and Update

2023 Preliminary Budget  
October 25, 2022



# Tax Levy Background

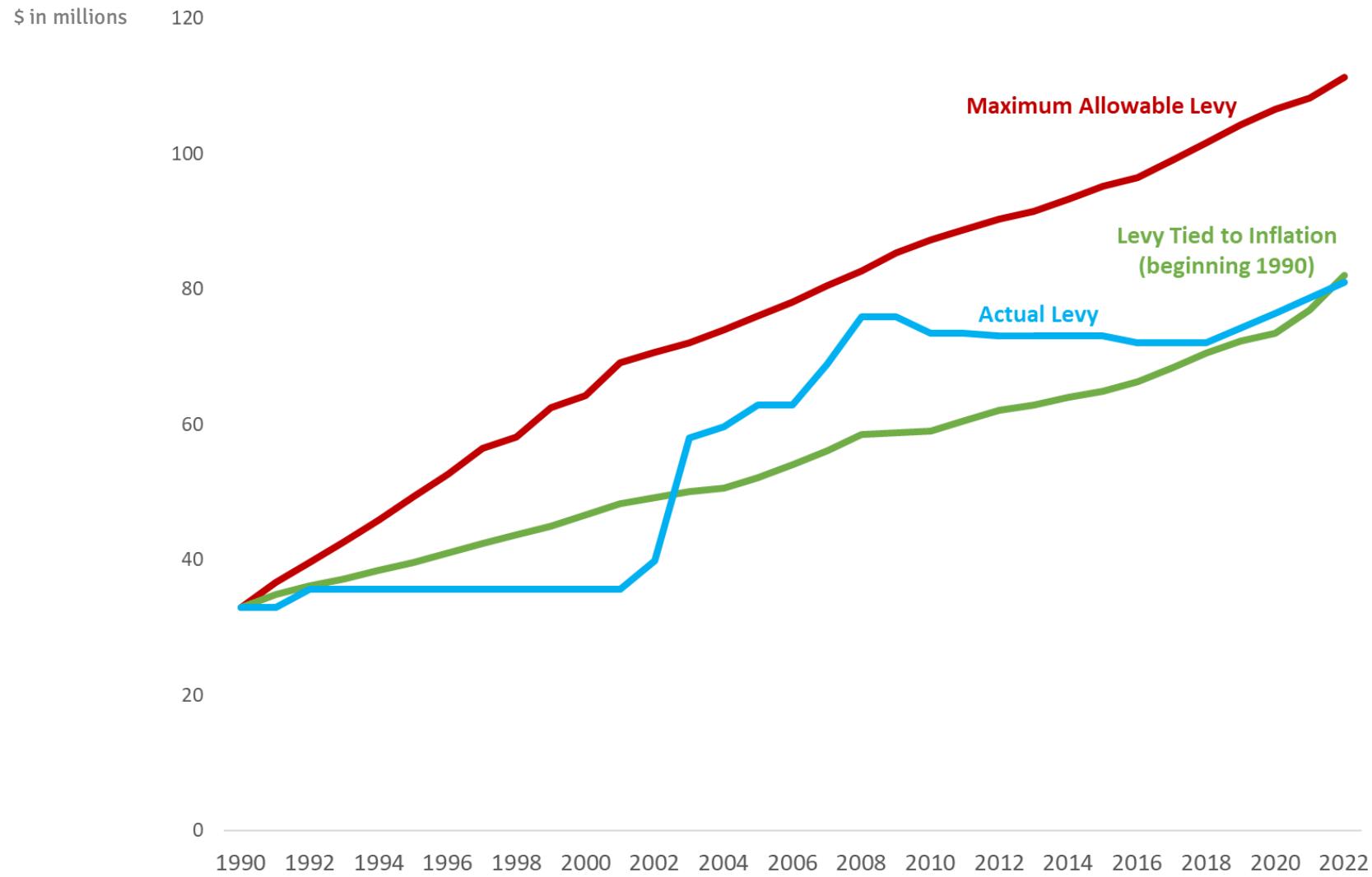
- Governed by State Law: Washington Ports permitted to levy property taxes
- Levy amount is approved annually by the Commission
- Levy pays for General Obligation (G.O.) bond debt service
- Current Levy uses:
  - Environmental remediation and sustainability
  - Regional transportation mobility
  - Community: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



# Levy Policies and Practices

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

# Levy History



# 2023-2027 Planning Approach

- Adjust levy to maintain funding resiliency
- First use is to pay G.O. bonds
- Continue to use the tax levy to fund legacy environmental liabilities
- Fund certain community program costs
- Any remaining levy can fund capital
  - With levy cash or
  - G.O. bonds - debt service paid by levy

# Tax Levy Recommendation

- Proposed 2023 levy is \$82.7 million
  - 2% increase consistent with August Retreat discussion
  - The difference between the maximum and actual levy is available for potential future increases

	Actual/Proposed Levy (\$ million)	Maximum Levy (\$ million) <sup>(1)</sup>
2022	81.0	111.3
2023	82.7	113.2 <sup>(2)</sup>

(1) maximum levy increases at 1% plus new construction (totals ~2%)

(2) preliminary

# Taxpayer Impact

	2022	2023 preliminary
Tax Levy (\$ million)	81.0	82.7
Estimated millage rate (\$/1000)	0.112	0.094
Median home value (\$) <sup>(1)</sup>	694,000	830,000
Estimated median home Port tax (\$)	\$77.78	\$78.42

(1) 2023 estimate based on growth of assessed value of existing properties (excludes new construction) per King County preliminary worksheet

- The Port's levy increases by 2% in 2023, but assessed valuation increases by 20%, thus the millage rate declines.
- 2% levy increase is expected to result in less than \$1.00 increase to median homeowner.
- The Port's levy is approximately 1.2% of total property taxes levied in King County



# 2022 Tax Levy Fund Sources and Uses

(\$ million)

## SOURCES OF TAX LEVY FUNDS

Prior Year Tax Levy Fund Balance  
Projected Tax Levy Collection  
Environmental Receipts  
Investment Interest Income

**Total Sources**

2022	
\$	18.9
	81.0
	5.6
	0.3
<b>\$</b>	<b>105.9</b>

## USES OF TAX LEVY FUNDS

G.O. bond debt service  
Non-Airport Capital Investments  
Environmental Remediation Liability (Non-Airport)  
Public Expense (Pier 86 public expense project)  
Community Programs

**Total Uses**

\$	49.9
	24.3
	9.4
	2.0
	10.4
<b>\$</b>	<b>96.0</b>

**Projected Ending 2022 Levy Fund Balance**

\$	9.9
----	-----

- In addition to the tax levy, Commission established:
  - Harbor Development fund (HDF) for T-5 redevelopment
  - Transportation Infrastructure fund (TIF) for regional mobility participation
- Additional information on Tax Levy, TIF and HDF uses is detailed in Appendix

# 2023-2027 Tax Levy Fund Sources and Uses

(\$ million)

## SOURCES OF TAX LEVY FUNDS

Prior Year Tax Levy Fund Balance

Projected Tax Levy Collection

Environmental Receipts

**Total Sources**

2023-2027	
\$	9.9
	430.2
	42.1
\$	482.2

## USES OF TAX LEVY FUNDS

G.O. bond debt service (Existing & new)

Capital Investments

Environmental Remediation Liability (Non-Airport)

NWSA Membership Interest Contribution

Community Programs & Related Staffing Costs

**Total Uses**

\$	188.9
	126.4
	92.9
	5.0
	68.9
\$	482.1

**Projected Ending 2027 Levy Fund Balance**

\$	0.1
----	-----

## Tax Levy Fund - Assumptions

- 2% annual increase 2023-2027
  - Maximum levy increases approximately 2% per year
- Future insurance recoveries for environmental remediation
- Existing and new G.O. bonds to pay \$175 million of investments in addition to the \$126 million paid by tax levy cash

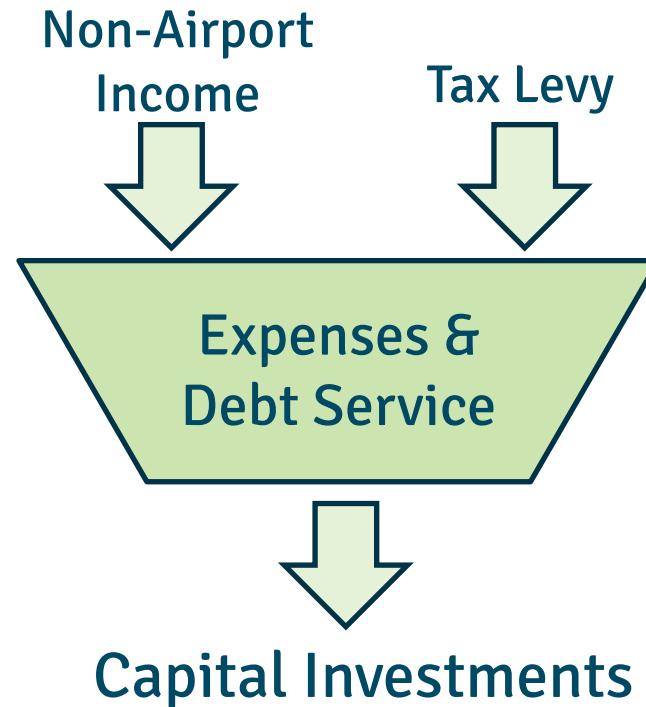
# Looking Ahead

## 2028-2032

- Longer view needs to inform near-term policies and decisions
  - Need to balance trade-offs between levy use for capital and non-capital priorities
- Need to plan for anticipated environmental remediation costs
  - Mandatory spending
  - Amount and timing uncertain
- Recognize that uncertainty increases further out; need to prepare for potential adversity

# Funding Non-Aviation Capital Programs: Tax Levy and Operating Income Work Together

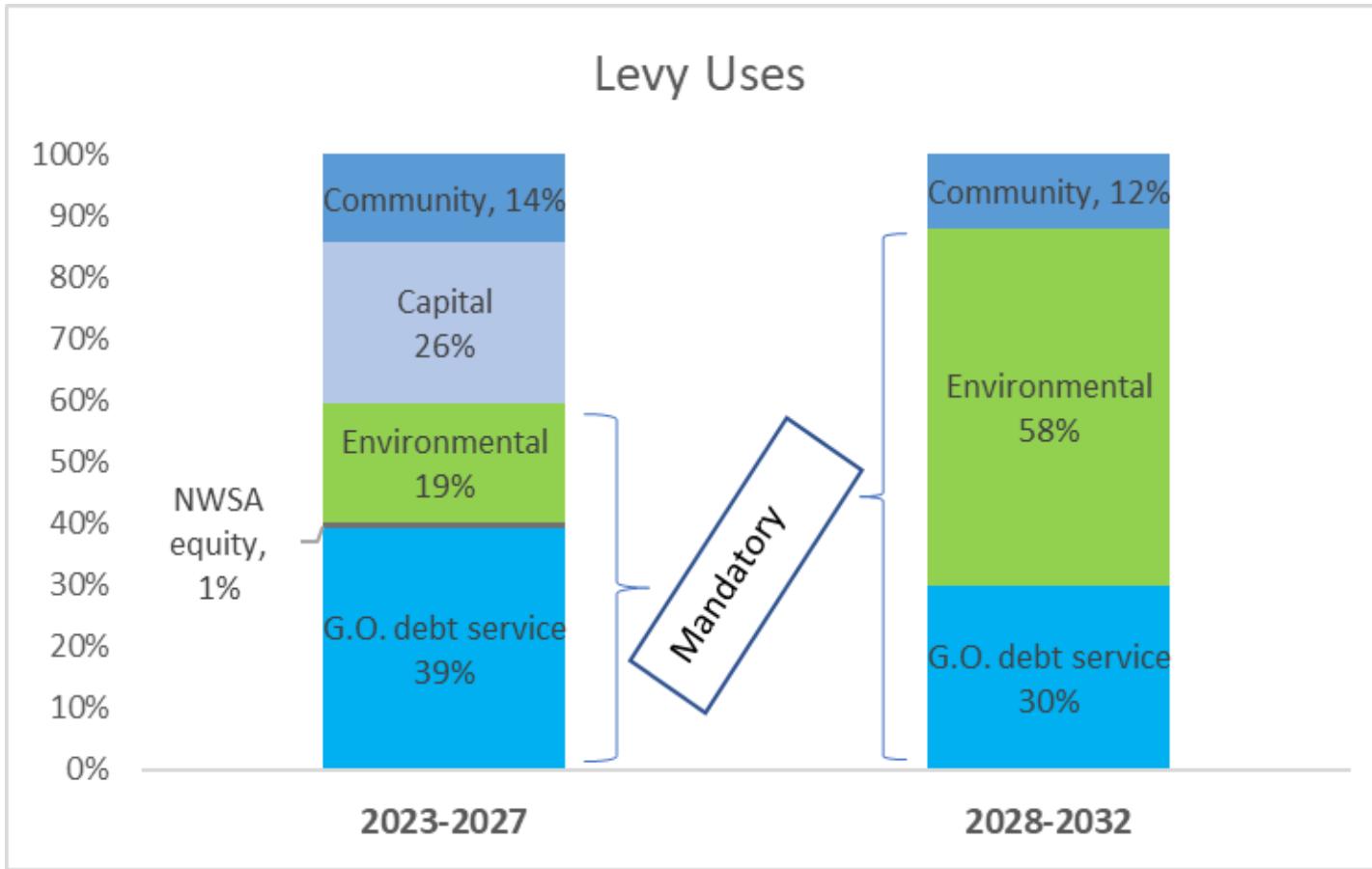
- Port has flexibility to use either income or tax levy to fund expenses and capital; subject to Commission policy
- These resources are managed jointly
- Tax levy provides a stable cash flow and helps the Port manage income variability



Port operating expenses and debt service reduce funding capacity for new investments

# Looking Ahead 2028-2032

## Spending Commitments Constrain Future Levy Uses

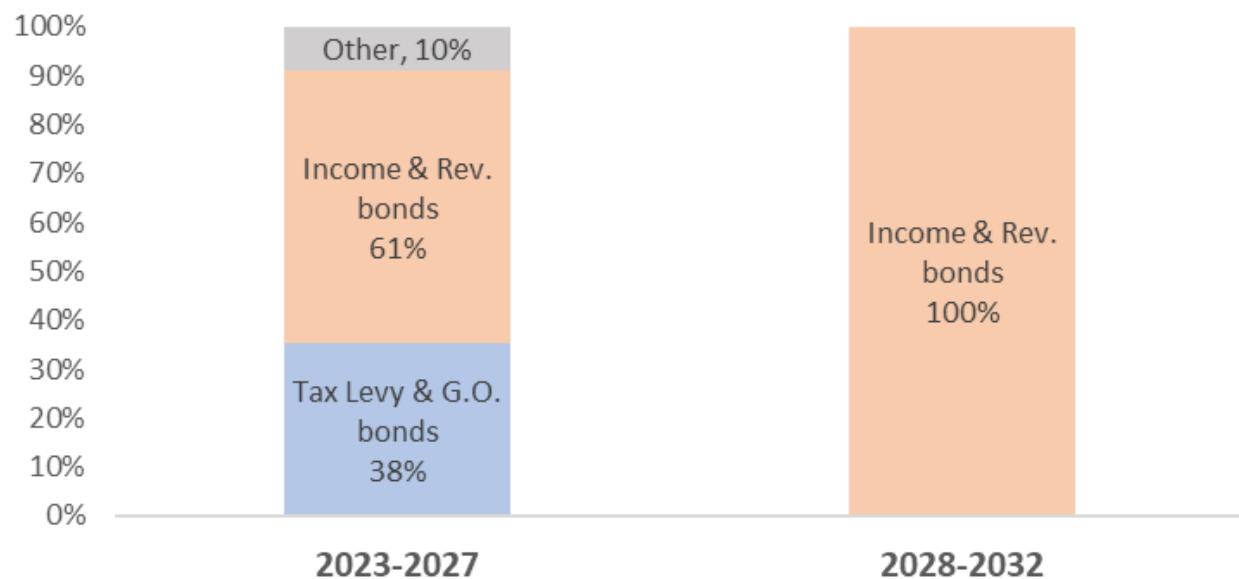


### Planning assumptions 2028-2032

- Levy remains at 2027 levy (\$89.5M); continuing the 2% annual increase would add some levy funding
- Community programs continue and average over \$13.0 million per year
- Estimated environmental liabilities will use 58% of levy resources in the future
- **Therefore:**
  - No excess levy for capital
  - Future capital funding will have to rely solely on income and revenue bonds

# The Long View

Capital Funding Next Five Years and Subsequent Five Years



- Positive News – Forecast includes improved income
- Negative News – Income is a less stable funding source than the tax levy
- Additional non-aviation sources of revenue may be limited

**Ideally Port maintains balanced funding from both stable and variable resources**

# Recommendation

- To ensure the long-term viability of Port operations, conduct analysis of the strategies and policies regarding funding of capital plans and funding of programs from stable and variable sources of funds
- Come back to Commission with recommendations and options for policies and strategies that balance the Ports programs, investments and sources of funding, in both the short-term and long term

# Draft Plan of Finance 2023-2027

2023 Preliminary Budget  
October 25, 2022



# The Draft Plan of Finance

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

- Provided annually to the Commission to inform the budget process and long-term capital investment decisions
- Flexible tool that is updated as circumstances change
- Plan is developed based on a sustainable financial model
  - Detailed five-year business forecasts
  - Financial targets that allow the Port to withstand downside risk and maintain strong access to financial markets

# Financial Targets Provide Resiliency

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

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

(1) Target is 1.4

(2) By 2024

# Airport and Non-Airport Capital Are Funded Separately

## Airport

- Relies on its own operating cash flow from airline cost recovery and non-aeronautical businesses
- Unique funding sources:
  - Airport capital grants
  - Passenger Facility Charge (PFC)
  - Customer Facility Charge (CFC)
- Funds can only be used for Airport purposes

## Non-Airport

- Includes Northwest Seaport Alliance (NWSA), Maritime and Economic Development (EDD)
- Relies on a combination of:
  - Operating cash flow and revenue bonds paid from operating cash flow
  - Tax levy after payment of other tax levy uses and general obligation (G.O.) bonds paid from the tax levy
  - Grants and Harbor Maintenance Tax (HMT)

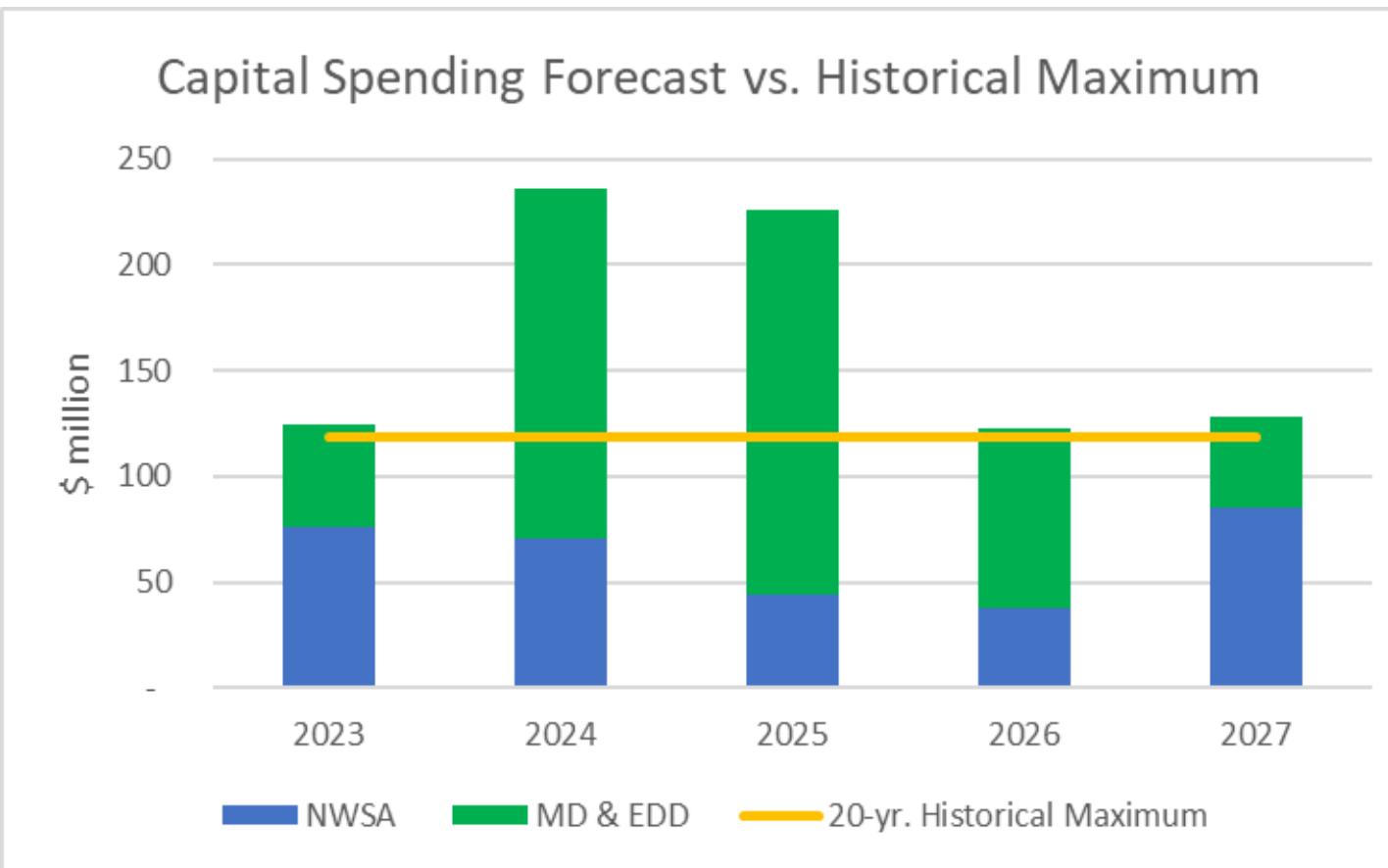
# Capital Improvement Plan (CIP) and Funding Non-Airport

2023 Preliminary Budget

October 25, 2022



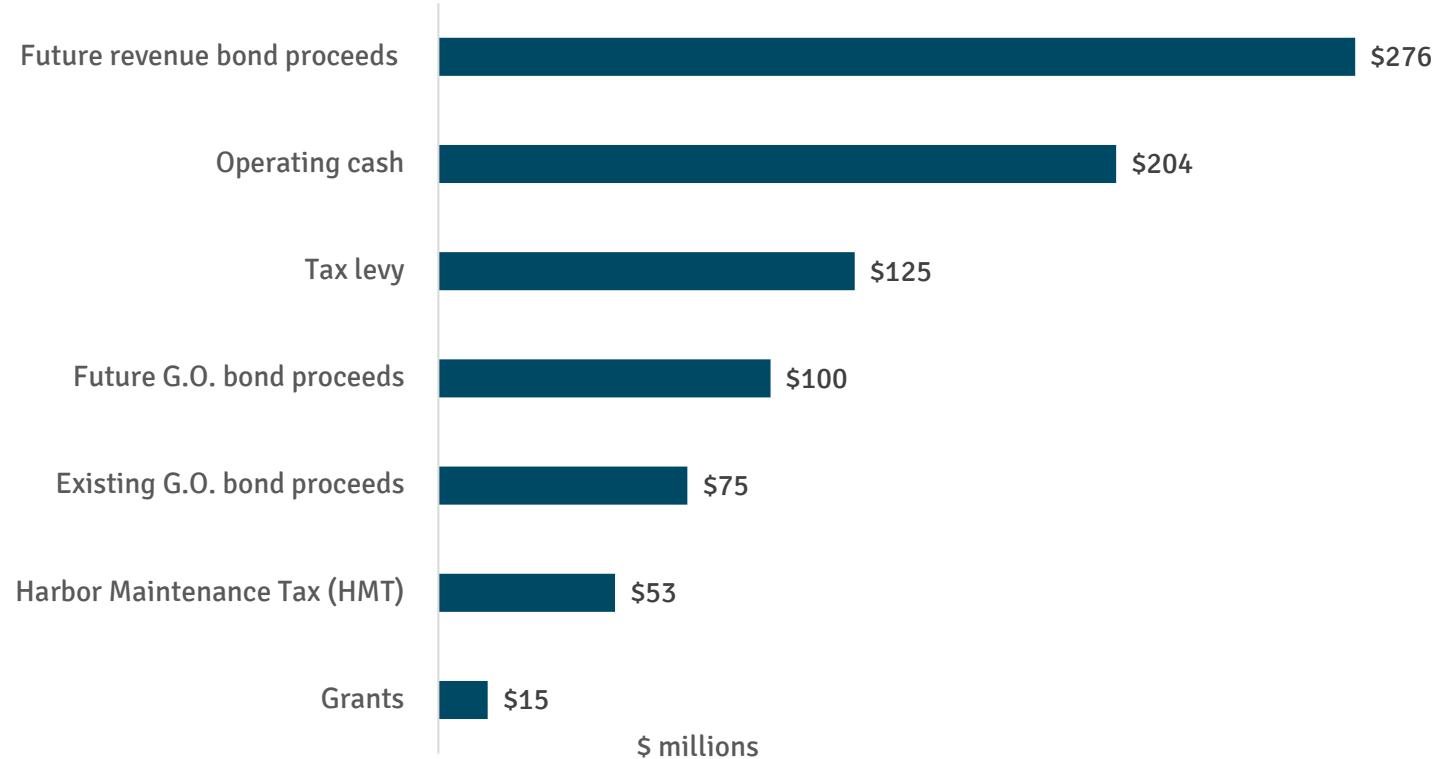
# Non-Airport Capital Spending Forecast - \$849 million



- Spending forecast to equal or exceed prior maximum (spent in 2009) in every year
- 2022-2026 CIP was \$730 million
- NWSA includes
  - Port's 50% share of NWSA CIP
  - Port projects related to NWSA
- Timing of spending can affect funding plan

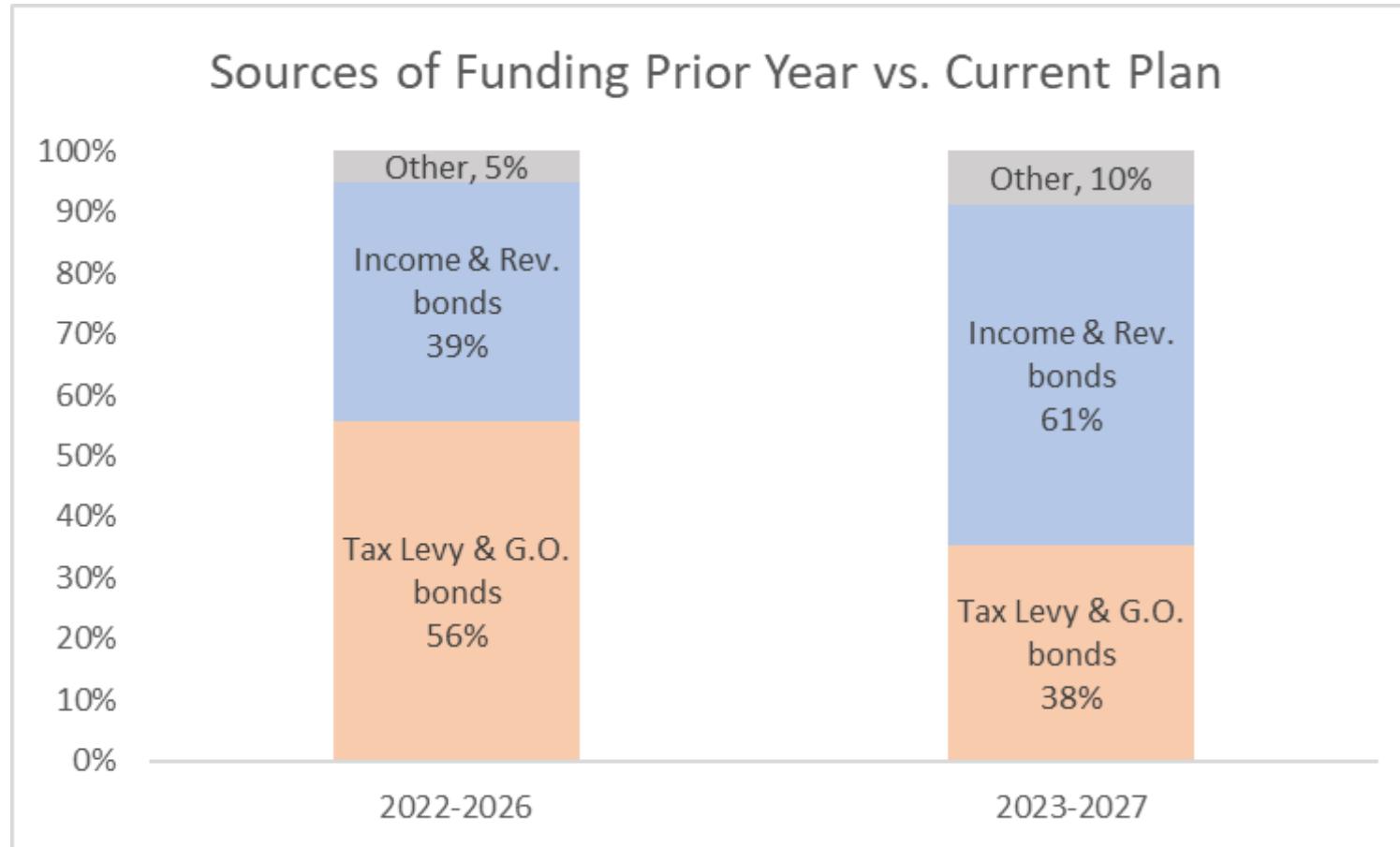
# Non-Airport Capital Funding 2023-2027

## Non-Airport Capital Funding - \$849 million



- 57% of funding from operating sources:
  - Includes cash funding and revenue bonds paid from operating cash
  - Improved revenue forecast compared to last year
- 35% is from tax levy related sources:
  - Tax levy cash
  - G.O. bonds paid by the tax levy
  - Funding plan assumes 2% annual levy increase through 2027
- 8% from other sources including grants and Harbor Maintenance Tax (HMT)
  - Funding sources limited to eligible projects

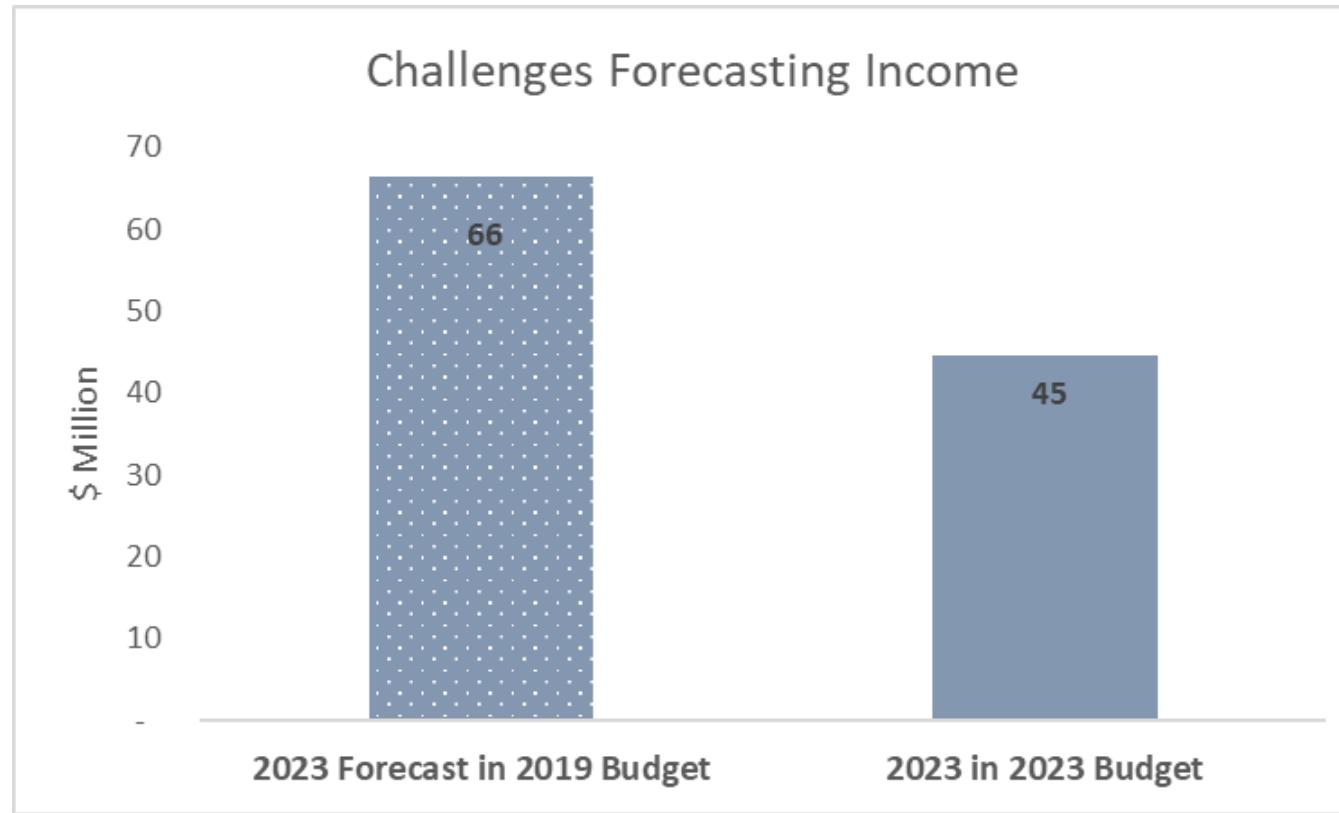
# Greater reliance on Operating Income



- **Funding shift due to:**
  - Forecast income growth
  - Less tax levy available for capital
- **Income is a less stable funding source than tax levy**
- **Revenue bond funding depends on achieving and maintaining income forecast for 25 years**

# Income Subject to Variability – Caution Needed

## Non-Airport Income



- Experience:
  - Disruptions may result in actual income lower than forecast
- Non-Airport income does not have the stability of cost recovery like the Airport
- Retain flexibility to manage adverse changes
- **Risk of over optimism greater than pessimism**

Note: Income includes unallocated Port expenses and adjustments to NWSA for depreciation

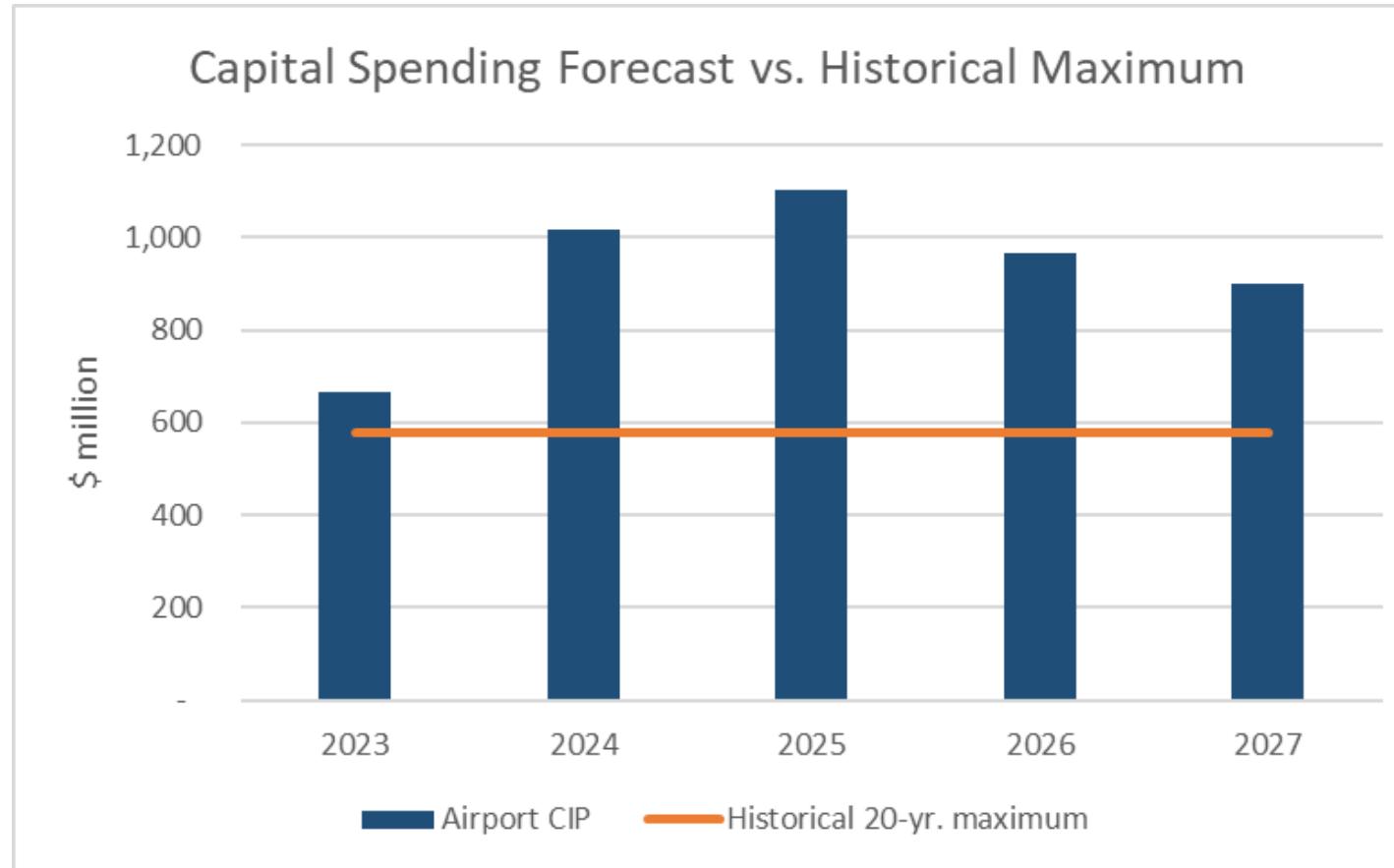
# Capital Improvement Plan (CIP) and Funding Airport

2023 Preliminary Budget

October 25, 2022

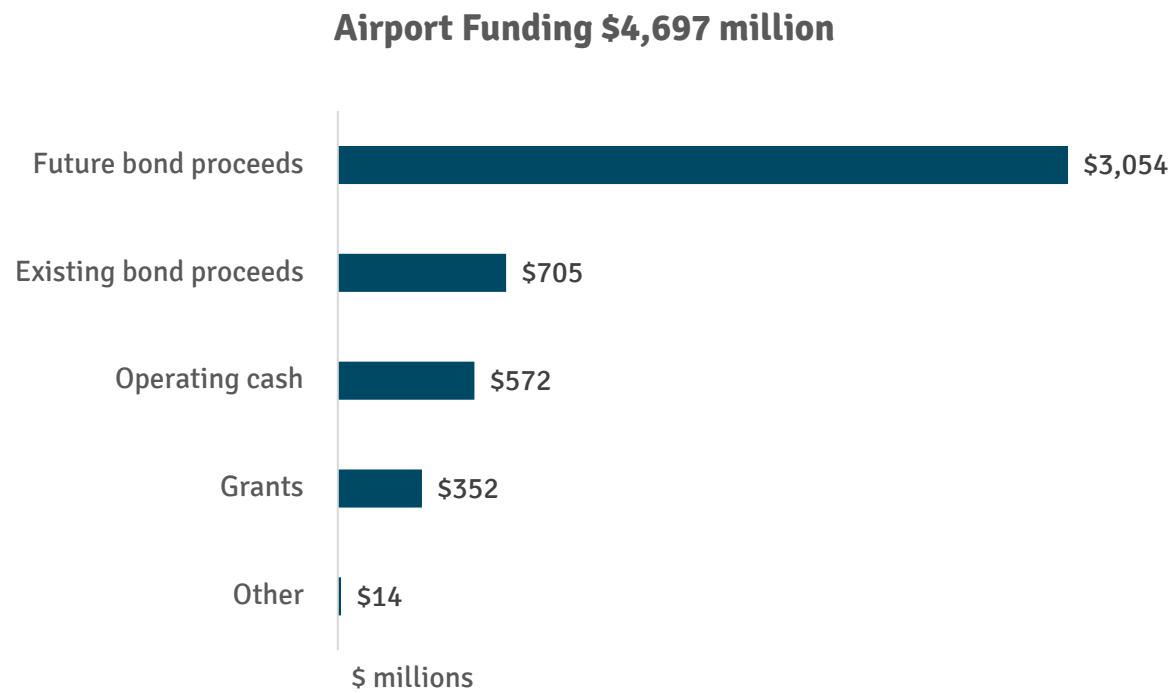


# Airport Capital Spending Forecast - \$4.6 billion



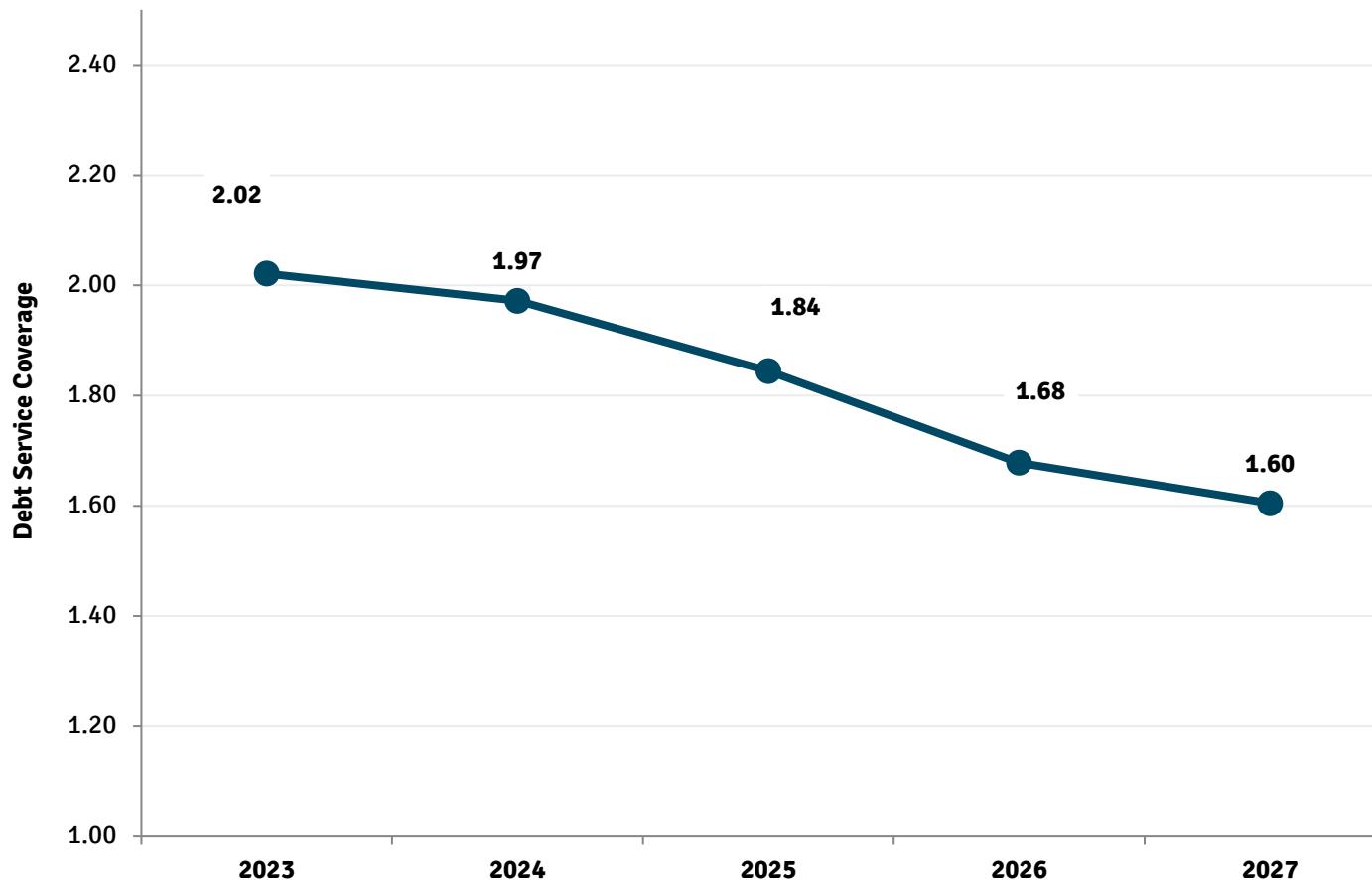
- Forecasted spending in each year exceeds prior maximum (spent in 2019)
- 2022-2026 CIP was \$4.0 billion
- Increased Airport needs and costs

# Airport Funding 2023-2027



- 92% funded from operating cash flow and revenue bonds
- **\$352M capital grants**
  - TSA & AIP
- **Other funding includes:**
  - Passenger Facility and Customer Facility Charges after the payment of debt service

# Port-wide Revenue Bond Debt Service Coverage Forecast



- Represents net income from Airport and Non-Airport businesses divided by all revenue bond debt service
- Provides a measure of financial sustainability and is critical to investors and rating agencies
- Decreasing Port-wide DS coverage is driven by large Airport capital spending
  - This is expected, and Port-wide DS coverage levels remain strong

# Finance Initiatives

- Revenue bonds
  - Issue new debt as needed to fund a portion of the Airport CIP
  - Refund existing bonds for debt service savings
    - 2013 Intermediate Lien Revenue bonds are callable next year
    - 2013 Airport Special Facility bonds are callable next year
  - Monitor other potential candidates
- Manage variable rate debt credit agreements and renewals
- Select a new team of underwriters

# Appendix

2023 Preliminary Budget  
October 25, 2022



# Contents

Pages	
	CIP and Funding tables
	Additional Tax Levy Information
	Industrial Development District Levy Information
	Revenue Bond Coverage and Credit Ratings

# Airport CIP and Funding

Airport CIP	<b><u>2023-2027</u></b> <b><u>(\$ million)</u></b>	<b><u>2023-2027</u></b> <b><u>(\$ million)</u></b>
Baggage Optimization	\$ 591.6	\$ 572.0
C Concourse Expansion	300.0	1.0
SEA Gateway	367.4	352.1
S Concourse Evolution	674.3	1.4
Main Terminal Improvement	200.0	11.3
International Arrivals Facility	11.5	705.0
NSAT	1.0	3,054.2
Other Capital Projects	1,489.3	\$ 4,697.0
SAMP Preliminary Planning/Design <sup>(1)</sup>	158.3	\$ 4,648.6
Proposed New Projects	394.3	48.4
Utility Master Plan Allowance	198.0	\$ 4,697.0
CIP Reserves	263.0	
<b>TOTAL</b>	<b>\$ 4,648.6</b>	
Allocated Central Services CIP	48.4	
<b>Total Airport Funded CIP</b>	<b>\$ 4,697.0</b>	
(1) Sustainable Airport Master Plan		

# Non-Airport CIP and Funding

	<b><u>2023-2027 (\$ million)</u></b>
<b>Non-Airport CIP</b>	
Maritime & Economic Development CIP	\$ 522.3
NWSA - 50% Share (North & South Harbor)	276.4
NWSA - Reserve & Port Projects <sup>(1)</sup>	38.4
<b>TOTAL</b>	<b>\$ 837.0</b>
Allocated Central Services CIP	11.6
<b>Total Non-Airport Funded CIP</b>	<b>\$ 848.6</b>

(1) Includes North Harbor channel deepening and other 100% Port legacy costs in North Harbor.

Note: totals may not add due to rounding

	<b><u>2023-2027 (\$ million)</u></b>
<b>Non-Airport Funding Sources</b>	
Operating Cash <sup>(1)</sup>	\$ 204.1
Grants	14.8
Harbor Maintenance Tax (HMT)	53.3
Tax levy <sup>(2)</sup>	125.4
Existing G.O. bond proceeds	75.0
Future G.O. bond proceeds	100.0
Future revenue bond proceeds	276.0
<b>Total Non-Airport Funding</b>	<b>\$ 848.6</b>

(1) Includes non-airport income available after payment of revenue bond debt service.

(2) Assumes 2% annual levy increase from 2023-2027.

Note: totals may not add due to rounding

# Port's Taxing Authority

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

- **1% limit**
  - The maximum levy is increased each year by the 1% limit factor
  - Prior year's maximum is increased by the lesser of 1% or inflation
  - New construction is added
  - The maximum levy for 2023 is estimated to be ~\$113.2 million
- **45 cent limit**
  - The amount of the tax levy in any given year is limited to 45 cents per \$1000 of assessed value
  - For 2023, this limit would translate to ~\$393.4 million
  - Excludes the amount needed to pay G.O. bond debt service of \$34.7 million

# 2022 Levy Status

## SOURCES AND USES OF TAX LEVY (\$ million)

### SOURCES

2022 Beginning Fund Balance  
 Annual Tax Levy  
 Environmental Grants & Other Reimbursements  
 General Fund Reserve transfer for OYI (WFD)  
 Investment Income

### Total Sources

2022 Budget	2022 Est./Act	Budget Variance
\$ 18.7	\$ 18.9	\$ 0.2
81.0	81.0	-
8.5	3.9	(4.6)
-	1.7	1.7
-	0.3	0.3
<b>\$ 108.3</b>	<b>\$ 105.9</b>	<b>\$ (2.3)</b>

### USES

G.O. bond debt service  
 Environmental Remediation Expense  
 Capital Expenditures - Maritime  
 Capital Expenditures - EDD  
 NWSA North Harbor Spending  
 Miscellaneous Capital  
 Regional Transportation and Public Expense  
 Airport Community Ecology (ACE) Fund  
 Energy and Sustainability Policy Directives  
 Workforce Development  
 Economic Development Partnership Program  
 Tourism Grants and Marketing Support Program  
 Local Community Advertising Program  
 Maritime Blue and Orca Recovery Program  
 Small Business and Regional Business Partnerships  
 Duwamish Valley Community Equity Program  
 South King County Support Program<sup>1</sup>  
 Sustainable Aviation Fuels and Air Emissions Programs  
 City of SeaTac Safety Enhancements

### Total Uses

\$ 58.4	\$ 49.9	\$ (8.5)
9.7	9.4	0.3
9.1	12.2	(3.0)
9.5	6.1	3.4
3.5	5.9	(2.4)
-	0.1	(0.1)
3.0	2.0	1.0
0.1	0.1	-
0.2	0.0	0.1
2.6	2.6	-
1.2	1.3	(0.1)
0.6	1.0	(0.4)
0.5	0.3	0.2
0.2	0.2	-
0.2	0.2	-
0.4	0.4	-
2.7	2.7	-
0.2	0.2	-
1.4	1.4	-
<b>\$ 103.4</b>	<b>\$ 96.0</b>	<b>\$ (9.6)</b>

### Estimated Ending 2022 Tax Levy Fund Balance

\$ 4.9	\$ 9.9
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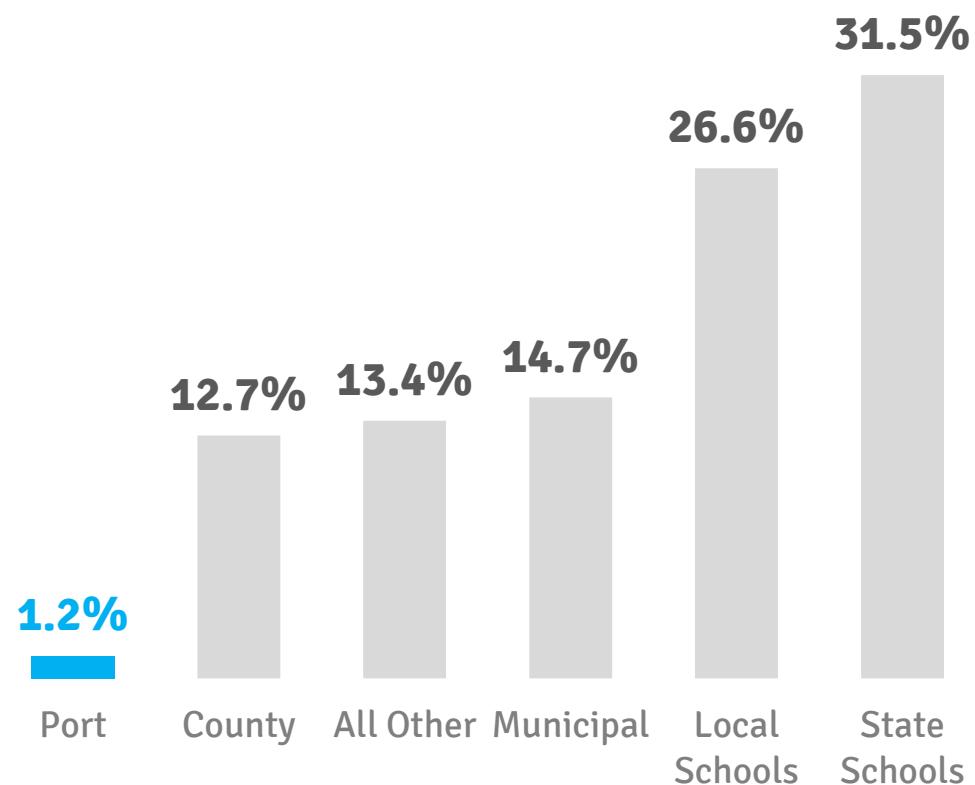
Totals may not foot due to rounding

1) Includes support for staff costs that are not funded by the South King County Fund

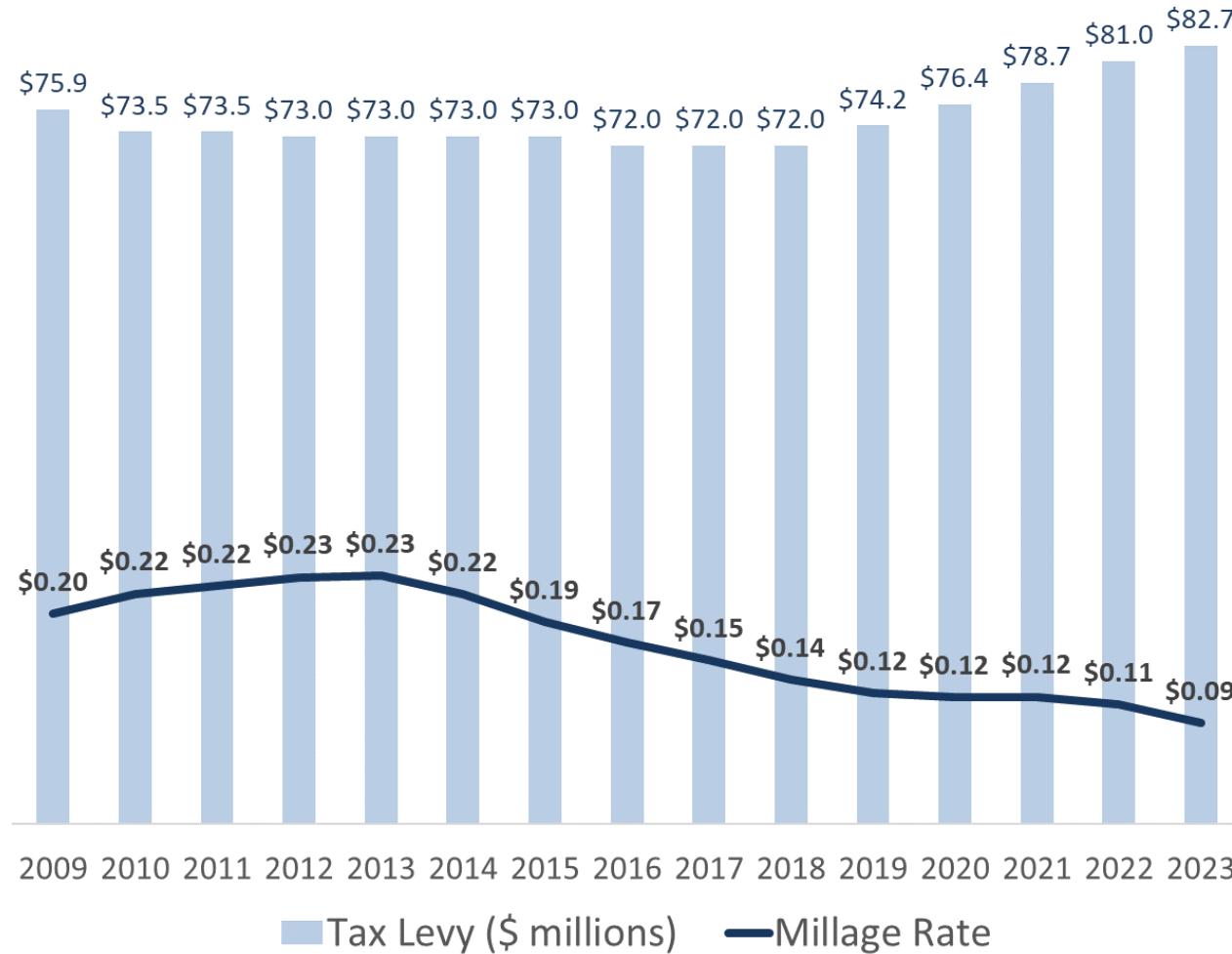
# Overall Taxpayer Impact - 2022

- Of the \$7.0 billion of property taxes paid in King County, less than 1.2% goes to the Port
- In 2022, the median homeowner paid \$7,068 in total property tax with **\$78 going to the Port**

**Less than 1.2% of King County taxes go to the Port**



# 2009-2023 Tax Levy & Millage Rate <sup>(1)</sup>



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

# Actual vs. Maximum Allowable Levy

\$ Millions

\$120

\$100

\$80

\$60

\$40

\$20

\$0

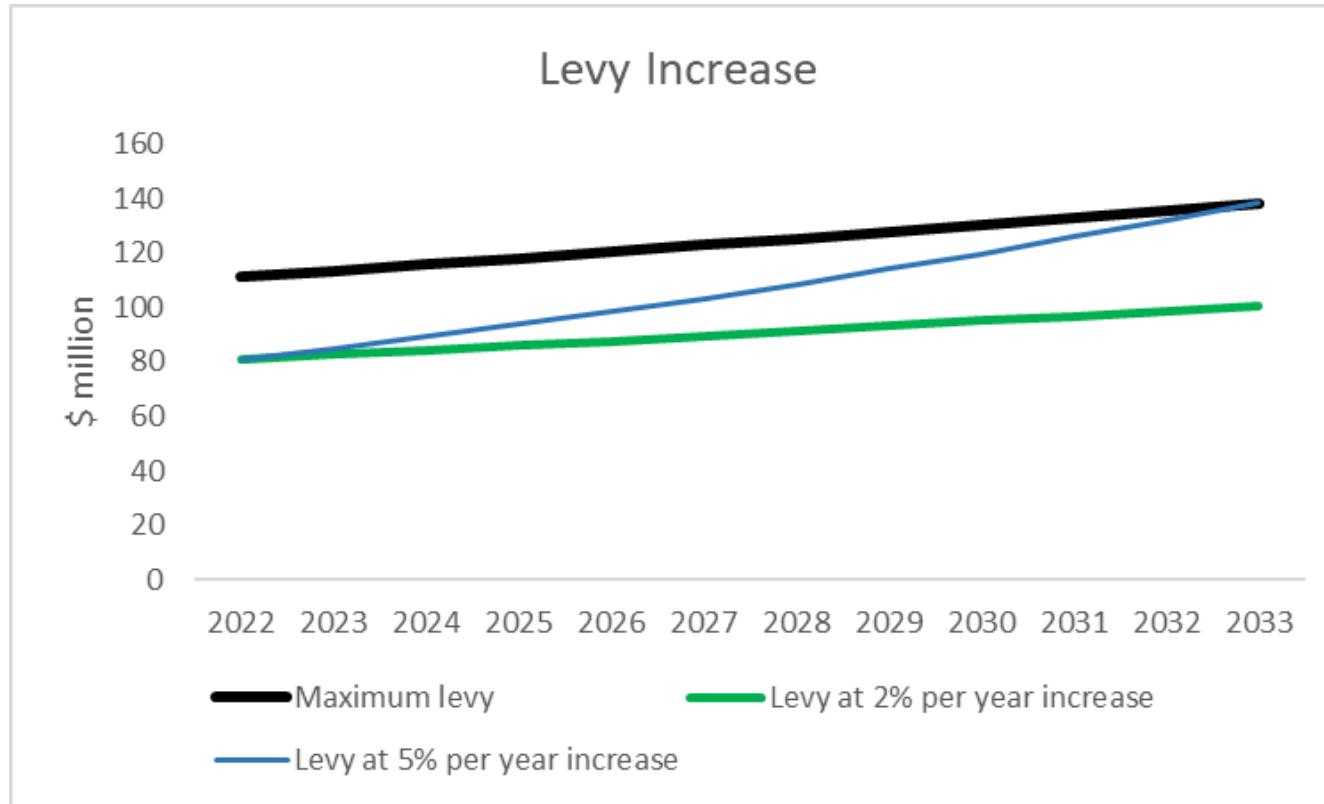
Maximum allowable Levy

Actual Levy

Cumulative foregone taxes  
= \$641 million

1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017 2019 2021 2023

# Planning: 2% Levy Increase Maintains Flexibility



- Levy amount decided annually
- Cumulative decisions affect future funding and flexibility
- 2% levy increase is sustainable
  - Equals estimated annual increase in maximum levy
  - Preserves future flexibility to increase more if needed in the future
- 5% annual levy increase will deplete flexibility within 10 years

# Transportation and Infrastructure Fund (TIF)

<b>TIF (\$ million)</b>	<b>2023-2027</b>	<b>Post 2027</b>
Beginning Balance	\$ 64.3	\$ 29.8
Transportation Investments	(34.5)	(24.3)
Ending Balance	29.8	5.5

<b>Transportation Investments (\$ million)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2023-2027</b>	<b>Post 2027</b>
Seattle Heavy Haul Network	\$ 2.3	\$ 2.3	\$ 2.0	\$ 2.0	\$ 2.0	\$ 10.5	\$ 9.3
Fast Corridor II	-	-	0.8	-	-	0.8	-
West Seattle Bridge	6.0	-	-	-	-	6.0	-
Safe and Swift	1.5	-	0.7	-	-	2.2	-
Puget Sound Gateway (SR 509)	-	15.0	-	-	-	15.0	15.0
<b>TOTAL</b>	<b>\$ 9.8</b>	<b>\$ 17.3</b>	<b>\$ 3.5</b>	<b>\$ 2.0</b>	<b>\$ 2.0</b>	<b>\$ 34.5</b>	<b>\$ 24.3</b>

# Harbor Development Fund (HDF)

<b>HISTORY of HARBOR DEVELOPMENT FUND</b> (\$ million)	
<b>SOURCES</b>	
Deposits from Tax Levy (2017)	\$ 65.0
Deposits from Tax Levy (2019)	50.0
Investment Earnings	5.7
<b>Total Sources</b>	<b>\$ 120.7</b>
<b>USES</b>	
T-5 Modernization (Port 50% share):	
2017-2021 Spending	\$ (99.7)
2022 Spending (actual/projected)	(21.0)
<b>Total Uses</b>	<b>\$ (120.6)</b>
<b>Ending 2022 HDF Balance</b>	<b>\$ 0.0</b>

- HDF created in 2017 in anticipation of investment in Terminal 5
- HDF expected to be depleted in 2022
  - Port's share of remaining T-5 modernization capital costs is ~\$75 million (2023-2027)
  - Remaining T5 funding will come from other funding sources, including:
    - Tax levy cash or G.O. Bonds
    - Capital Grants
    - Harbor Maintenance Tax/Water Resources Development Act

# Port Community Programs by Activity

## Economic Development

- Tourism Department
- Spotlight Advertising
- City Economic grants
- Diversity in Contracting Department
- Maritime Innovation
- South King County Fund

## Workforce Development

- High School Interns
- Workforce Development Department

## Equity, Diversity & Inclusion

- EDI Department
- Duwamish Community Equity program

## SeaTac Community Relief

## Sustainability

- South King County Impact Fund (continuing ACE Fund)
- E&S Committee
- Low Carbon Fuel Standard
- Sustainable Aviation Fuels

# Community Programs and Other Non-Capital

Program (in \$000)	2021 Budget	2022 Budget	2023 Proposed Budget	Inc/(Dec) from 2022 Approved Budget		2023 Budget Funded by the levy	2023 Budget Funded by the levy
				\$ Change	% Change		
1) Energy & Sustainability Fund	373	160	120	(40)	(33%)	120	100%
2) Airport Community Ecology (ACE) Fund	212	135	40	(95)	(238%)	40	100%
3) South King County Community Impact Fund (SKCCIF)	2,000	2,195	2,214	19	1%	2,214	100%
4) Duwamish Valley Community Equity Program	275	387	462	75	16%	462	100%
5) EDD Partnership Grants	910	1,200	850	(350)	(41%)	850	100%
6) Tourism Marketing Support Program	2,481	1,750	1,830	80	4%	282	15%
7) Airport Spotlight Ad Program	382	466	466	-	-	466	100%
8) City of SeaTac Community Relief	1,400	1,400	1,400	-	-	1,400	100%
9) Maritime Blue (formerly Maritime Innovation Center)	150	150	150	-	-	150	100%
10) Workforce Development	2,682	4,390	5,186	796	15%	3,785	73%
a. Youth Career Launch Program (formerly OYI) <sup>1)</sup>	-	1,000	1,000	-	-	1,000	100%
b. Airport Employment Center	926	1,096	1,517	421	28%	303	20%
11) High School Internship Program	500	496	457	(40)	(9%)	252	55%
12) Diversity in Contracting	1,510	1,836	2,299	463	20%	300	13%
a. Small Bus. Accelerator under SKCCIF <sup>2</sup>	180	250	250	-	-	250	100%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	-	-	50	50	100%	50	100%
13) Equity, Diversity & Inclusion	1,062	1,366	1,767	402	23%	138	8%
14) Sustainable Aviation Fuels & Air Emissions Program	250	200	100	(100)	(100%)	100	100%
15) Low Carbon Fuel Standard Initiative	75	110	150	40	27%	-	-
16) Community Biz Connector (Regional Small Biz Partnerships)	-	150	350	200	57%	350	100%
17) Public Market Study	-	-	100	100	100%	100	-
18) Seattle Aquarium Partnership	-	-	1,000	1,000	100%	1,000	100%
<b>Sub Total</b>	<b>14,081</b>	<b>16,142</b>	<b>18,691</b>	<b>2,549</b>	<b>14%</b>	<b>11,760</b>	<b>63%</b>
<b>Payroll charged to the Levy<sup>3</sup></b>	<b>-</b>	<b>483</b>	<b>433</b>	<b>(49)</b>	<b>(11%)</b>	<b>433</b>	<b>100%</b>
<b>Grand Total</b>	<b>14,081</b>	<b>16,625</b>	<b>19,124</b>	<b>2,499</b>	<b>13%</b>	<b>12,193</b>	<b>64%</b>

**Notes:**

1 \$2.0M budget for Youth Career Launch Prgm (OYI) was added in May 2021 (not shown on the table). Youth Career Launch Prgm budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under Diversity In Contracting (DIC) is included in DIC total (Item 12) and SKCCIF (item 3).

3 2023 Payroll only for CPO (4.0 FTEs). Other payroll from HS Interns (11.5 FTEs), WFD (5.0 FTEs), & EDI (1.0 FTE) are included in the individual items above.

- **Tax levy will fund**
  - **\$12 million of community programs in 2023**
  - **\$69 million 2023-2027**
- **2023-2027, the levy will also fund**
  - **\$189 million G.O. bond debt service**
  - **\$93 million environmental remediation**
  - **\$5 million NWSA equity payment**

# Commission Established Levy Use Criteria for Capital Investments

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

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

# Levy & G.O. Bond Funded Capital Investments

## Spending Primarily in 2023

NWSA - North Harbor (50% Share)  
P66 Shore Power  
Terminal 91 (multiple)  
Fishermens Terminal (multiple)  
Maritime/EDD CIP Reserves  
World Trade Center  
Other

## Spending Primarily in 2024+

East Waterway Deepening  
West Waterway Deepening  
MCAAP Phase I  
Sustainable Eval Framework Res  
T91 Uplands Development Phase I  
T91 Berth 6 & 8 Redevelopment  
T91 P90/91 Dock Rehabilitation  
T5 CEM Access  
Waterfront Clean Energy Strategy  
Highline School Insulation  
FT NW Dock West Improvements  
FT Maritime Innovation Center  
Centennial Park Shoreline Stab

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

## Funding Includes:

- \$126 million tax levy cash
- \$75 million of 2022 G.O. bond proceeds
- \$100 million future G.O. Bonds

# Non-Airport Operating Cash Flow Available for Capital

(\$ million)	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL</u>
Distributable Cash (adjusted) from NWSA <sup>(1)</sup>	\$ 48.4	\$ 50.7	\$ 62.8	\$ 77.2	\$ 80.0	\$ 319.1
Maritime net income	10.5	13.8	17.9	21.7	22.7	86.5
EDD net income	(7.9)	(8.2)	(7.6)	(7.6)	(7.8)	(39.2)
Revenue bond debt service and adjustments <sup>(2)</sup>	(20.9)	(21.0)	(32.6)	(42.6)	(31.9)	(149.1)
<b>TOTAL</b>	<b>\$ 30.1</b>	<b>\$ 35.3</b>	<b>\$ 40.4</b>	<b>\$ 48.6</b>	<b>\$ 63.0</b>	<b>\$ 217.4</b>

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

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

# IDD Levy - Background

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

# IDD Levy – Implementation

- Port may implement a second round based on a new formula
  - Maximum of \$2.4 billion over a period of up to 20 years
    - Average amount = \$121 million (for 20 years)
  - Port can establish a smaller IDD or collect a lesser amount, but cannot bank the unused capacity
- Process to implement
  - Publish notice by April 1 to begin collecting the next year
  - If within 90 days a petition of 8% of voters (voting in the most recent gubernatorial election) opposes, the Port must hold a special election to approve the levy

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

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

# Revenue Bond Debt Service Coverage

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

Coverage Calculation	
	Airport & Non-Airport Revenues
Minus	<u>Expenses</u>
Equals	Available for debt service
Divide	Debt service net of payment from PFCs and CFCs
Equals	Debt Service Coverage

# Current Credit Ratings

General Obligation Bonds			
First Lien Revenue Bonds			
Intermediate Lien Revenue Bonds			
Subordinate Lien Revenue Bonds			
Fuel Hydrant Special Facility Bonds			

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

## Noted Credit Strengths:

- Diverse asset and revenue base
- Airport's market position and enplanement levels
- Strong balance-sheet liquidity levels
- Conservative debt structure and healthy debt service coverage ratios
- Strong governance and management
- Long-range strategic and sustainability plans
- Vibrant and resilient area economy

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