

Item No.: 2
Meeting Date: Oct. 25, 2024

2025 Cargo Forecast



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SEATTLE + TACOMA

Tong Zhu
Chief Commercial & Strategy Officer

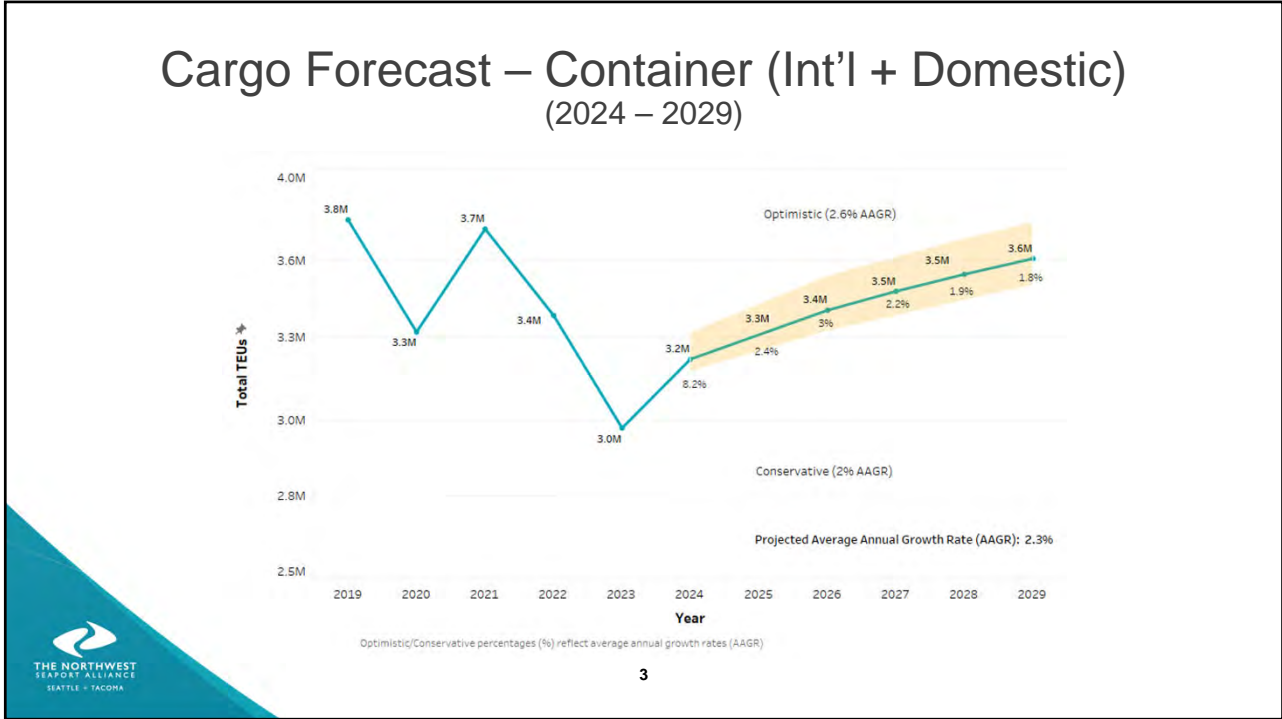
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Global Supply Chain Influencers

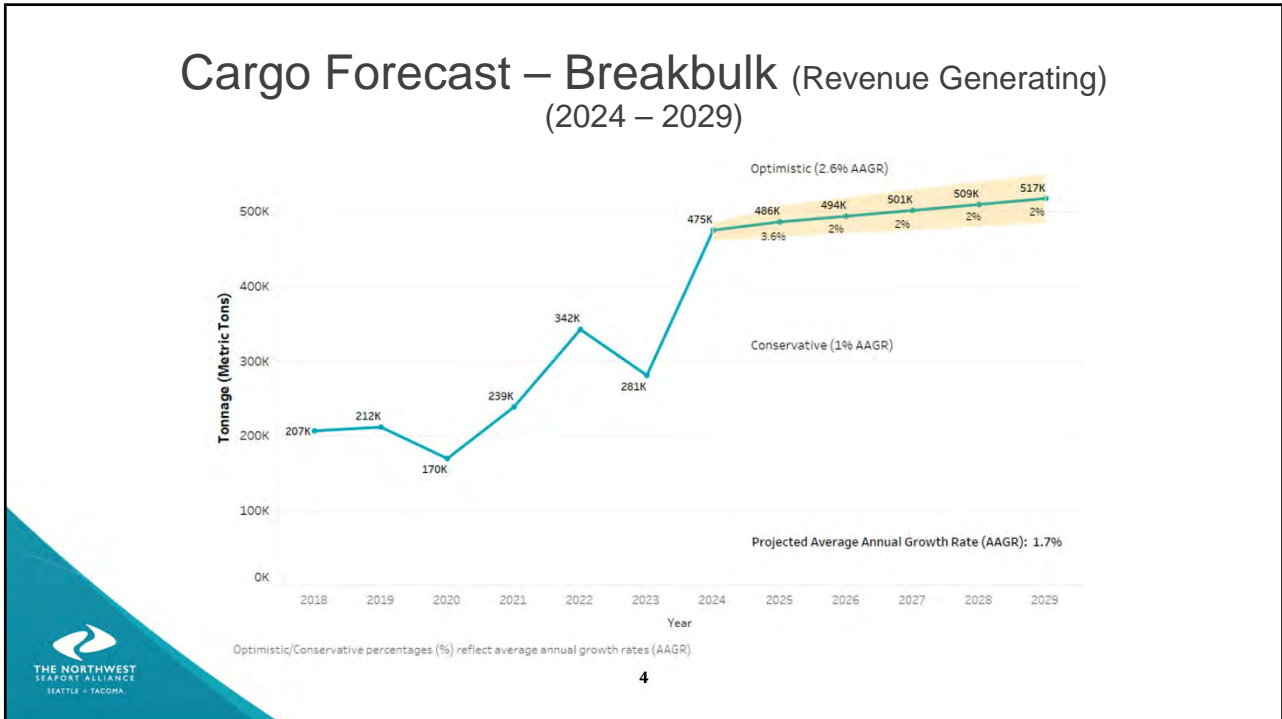


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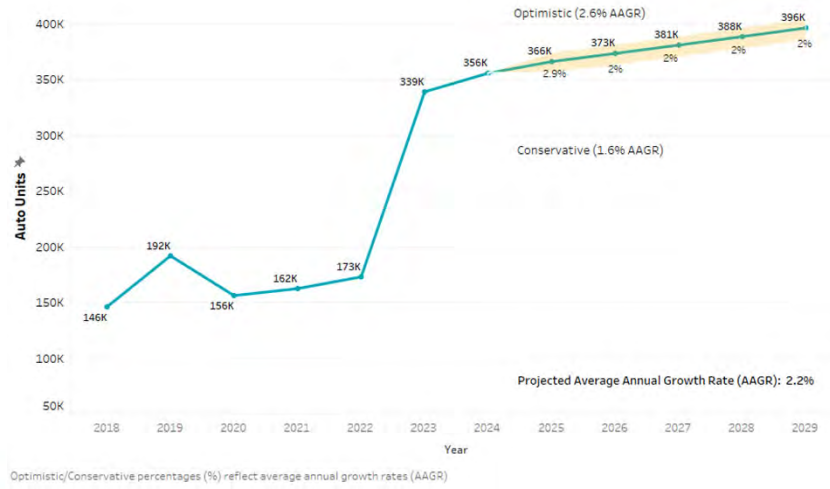


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4

Cargo Forecast – Autos (2024 – 2029)



Item No.: 3
Date of Meeting: Oct. 25, 2024

2025 Budget Study Session



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David Morrison, CFO
Calum Tasker, Sr. Financial Analyst
Lien Dam, Sr. Financial Analyst

1

Agenda

- Budget Schedule
- 2024 Forecast and 2024 Capital Investment Plan spending
- 2025 Budget with Details
- 2025 Budget and 2026-2029 forecast
- 2024-2029 Capital Investment Plan
- Potential Additional Funding Sources



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2

2

Budget Schedule

- September 4
 - CIP study session - complete
- October 25 - Today
 - Cargo Forecast
 - Budget study session
- November 5
 - Vote on the 2025 operating budget
 - Vote on the 2025-2029 Capital Investment Plan
 - Vote on the 2025 Service Level Agreements

3

NWSA Budget Considerations

- The NWSA staff manages to a “triple bottom line”:
 - Financial performance
 - Economic development and jobs
 - Environmental impact and sustainability
- Improvements/focus on one area may impact the other two areas
 - Increased financial performance may result in lower investments in environmental impact or economic development
 - Increased focus on economic development and jobs may reduce financial performance and impact the environment
 - Increases investment in environmental issues may result in lower financial performance and impact economic development
- Staff has developed the 2025 budget to balance these three areas

4

Budget points

- Modeled all leases per current agreement
 - Full year of T5 Phase 2 revenue
- Assumed 4% pay increase in 2025, 3% thereafter
- Assumed 3.5% CPI in 2025, 3% thereafter (in general)
- \$1M in 2025 for legal for stormwater case
- \$275k for wind study in budget in consulting

5

Budget points

- NWSA adding seven (7) positions (62 to 69 positions)
 - 2 operations superintendents – increased BB business and T46 operations
 - Reduced relief superintendent hours
 - 1 clean air PM – significant investment and grants (limited duration)
 - 1 exec admin – executive support
 - 1 Communications analyst – increased outreach
 - 1 lawyer – increased legal and replace outsourced resources
 - 1 Program Manager / Engineer – NWSA projects
- \$12 Million incentive program per year
 - Details to be determined
- \$14M of expenses projects in 2025
 - \$5.3M is HMT eligible (Dredging, dock repairs)
 - Other projects include Crane removal at T7, PCT paving, substation repair (over \$1M projects)
 - Did not budget \$3M for unplanned expenses given large budget this year

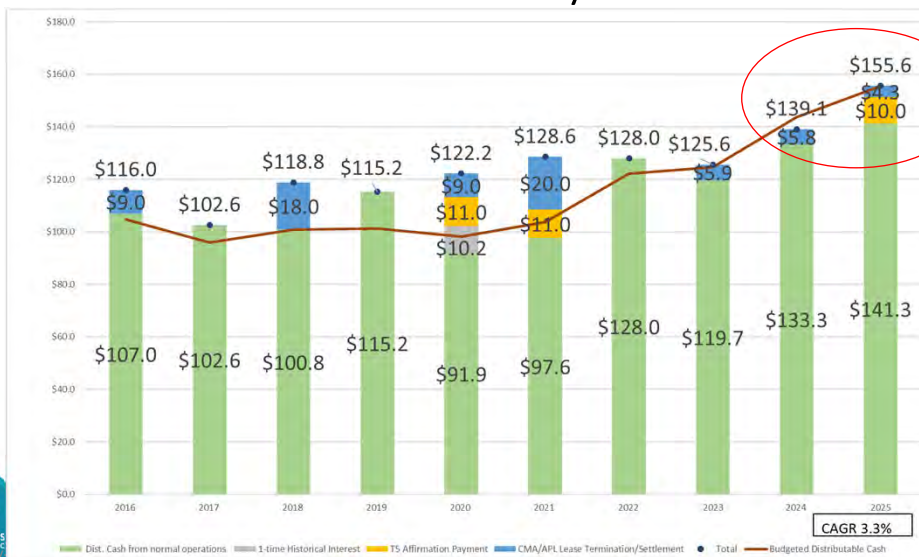
6

Budget points

- Allocations to NWSA (unless otherwise noted) budget to budget
 - POT total up \$565,000 or 3% to \$18,940,000
 - Security allocation up \$264,000 or 15% additional officers and admin
 - IT allocation up \$265,000 or 7%
 - Finance decrease \$362,000 or 13% revue of allocation methodology
 - Environmental and Planning allocation to POT up \$240,000 or 57% - Strategic Plan support
 - POS total up \$1,500,000 or 12% to \$13,570,000
 - Police up \$696,000 or 92% - methodology
 - Capital Development ups \$360,000 or 17%
 - Insurance cost up \$225,000 or 21% - market
 - Legal reduced by \$80,000 or 36% - NWSA legal staff



Distributable Cash History (excluding HMT) (\$ million)



Record Distributable Cash



Net Cash provided by NWSA (\$000s)

NWSA Providing Cash	2016-2025 Total	
Distributable cash		1,221,008
Affirmation Distribution		32,000
SIM Rent reduction		5,364
HMT/ WRDA 2106 Received by homeports		124,890
Total	\$	1,383,262

Cash from Home Ports	2016-2025 Total	
Working Capital		51,000
Capital Construction		909,512
Affirmation Contribution		32,000
Total	\$	992,512

NWSA Provide/(Accept) Cash \$ 390,750

- Over 10-year period, NWSA plus projected HMT/WRDA 2106 funds will provide \$390.8 million more in cash than received by the home ports (28.3% return of provided cash).

- Section 2106 / HMT funds are estimated at \$53.9M in 2025, same as 2024, and flat for the five-year period.

9

2024 Forecasted Operating Results Preview

(\$ millions)

	2024 Budget	2024 Forecast	Better/ (Worse)
Total Operating Revenues	252.8	265.1	12.2
Total Operating Expense	153.6	150.2	3.4
Income from Operations	\$99.3	\$114.9	\$15.6
<i>Return on Revenue</i>	<i>39.3%</i>	<i>43.3%</i>	<i>4.1%</i>
Non Operating Income (Expense)	15.0	0.9	14.2
Distributable Income	\$114.3	\$115.7	\$1.4
Distributable Cash	\$143.7	\$140.6	(\$3.1)
HMT Funds (not in NWSA P&L)	\$6.1	\$53.9	\$47.8
Total Distributable + HMT	\$149.8	\$194.5	\$44.7

Forecast vs budget Revenue

- Increase in intermodal of \$5M
- Increase in Breakbulk/Military of \$8M

Expenses

- Longshore increase of \$4M
- Incentive increase of \$9M
- Project spending reduction of \$13M
- Depreciation reduction of \$5M
- Timing delay of Grants of \$13M

10

2024 Forecasted Project Spending *(\$ million)*

Project	Amount	Description
T5 Berth Modernization Construction	\$20.1	Phase 2 South berth, stormwater system, gate complex, reefers & mgt reserves projects
Terminal 3/4 Shorepower	6.6	
T5 Rail Quiet Zone (public exp)	4.8	
T106 CBP Office & Facility Renovation	4.7	(NWSA 87%, POS 13%)
Husky Terminal Expansion	4.5	
T30 Central Substation Replacement	3.7	
T46 N. Substation #1 Replacement	3.2	(NWSA 80%, POS 20%)
PCT Fender Replacement	2.8	(HMT eligible)
EB1 Yard Configuration	2.8	
Tacoma Harbor LED lighting conversion	1.9	
PCT Operating Pavement Repair (2023-27)	1.5	
Others	28.9	
Total	\$85.6	

2024 Original budget was \$144.1M. Difference driven primarily by some T5 phase projects moving to 2025.

11

11

2025 Budget Preview *(\$ million)*

<i>(\$ millions)</i>	2023 Actual	2024 Forecast	2025 Budget
Total Operating Revenues	238.4	265.1	268.5
Total Operating Expense	128.0	150.2	172.4
Income from Operations	\$110.5	\$114.9	\$96.1
<i>Return on Revenue</i>	46.3%	43.3%	35.8%
Non Operating Income (Expense)	4.9	0.9	20.6
Distributable Income	\$115.4	\$115.7	\$116.7
Distributable Cash	\$136.4	\$140.6	\$145.6
HMT Funds (not in NWSA P&L)	\$6.1	\$53.9	\$53.9
Total Distributable + HMT	\$142.5	\$194.5	\$199.5

- 2025: Expect to receive a \$10M T5 affirmation payment in addition to the calculated distributable cash (not included above)

12

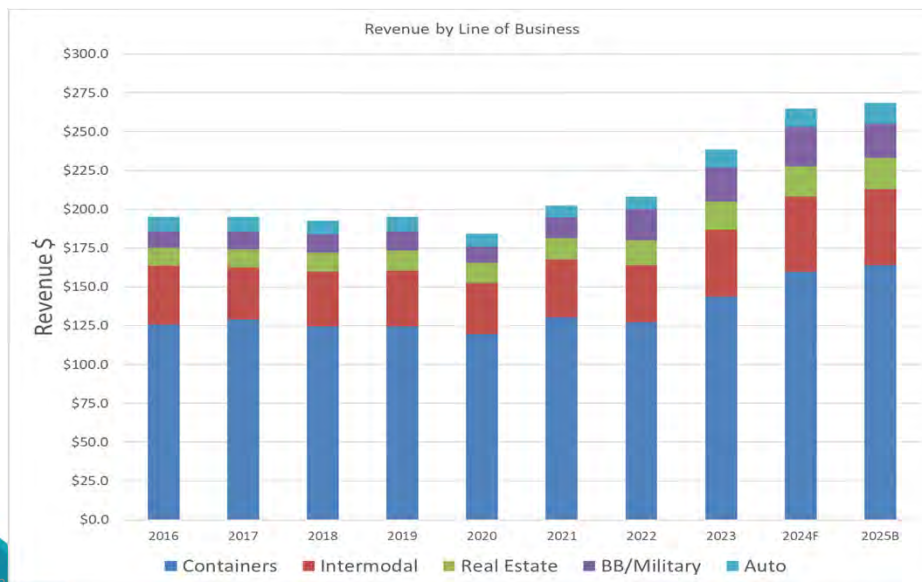
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Historical Revenue (\$ million)



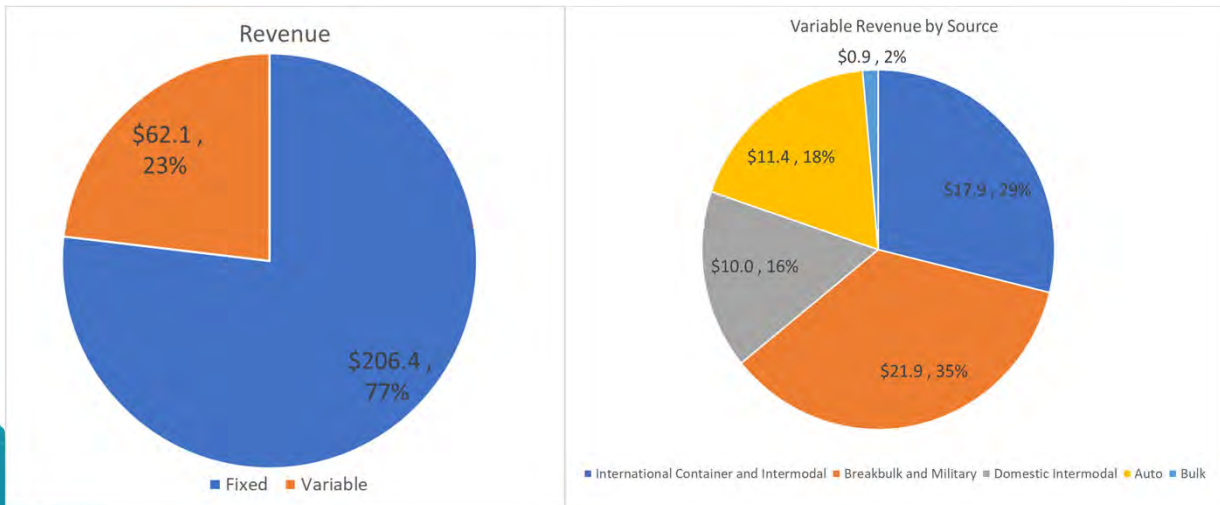
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Revenue by Line of Business (\$ million)



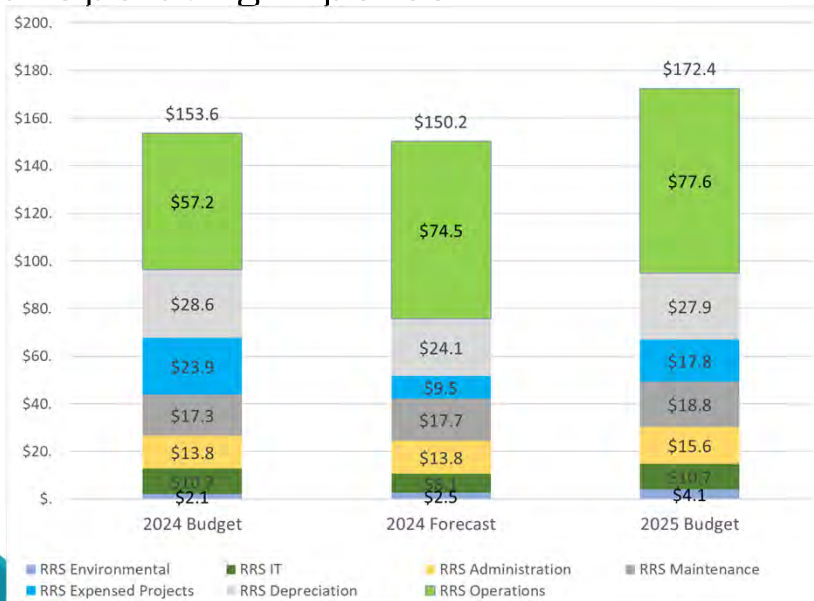
14

2025 Fixed vs Variable Revenue (\$million)

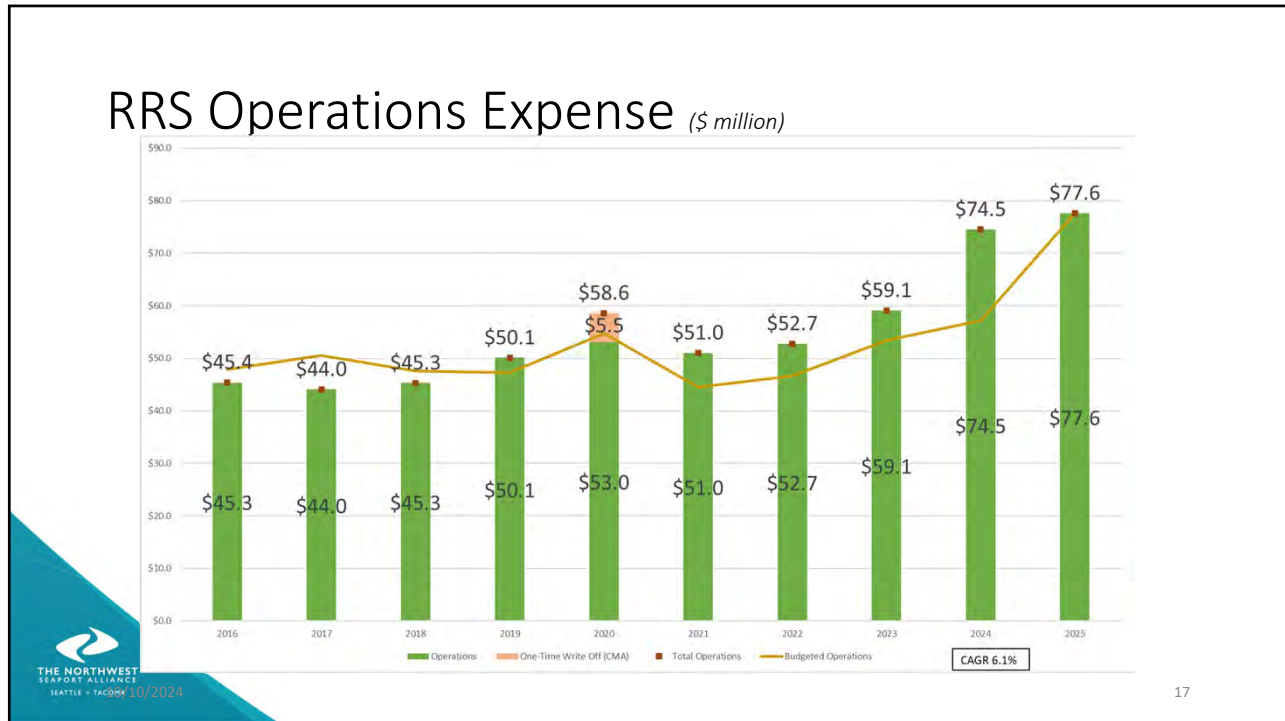


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Total Operating Expense



16



17

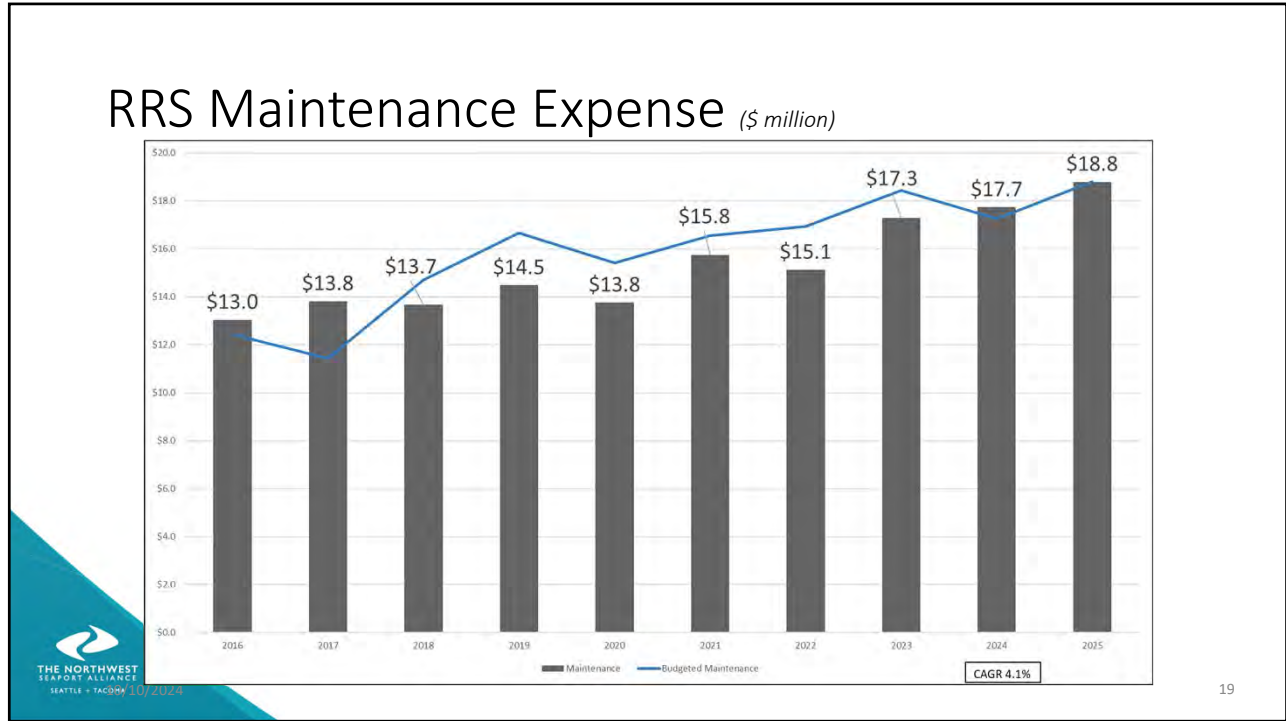
RRS Operations Expense

*in millions	2024 Budget	2024 Forecast	2025 Budget	2024 Forecast vs 2025 Budget	%
RRS Operations	\$57.2	\$74.5	\$77.6	\$3.1	4.1%

- **2024 Budget vs 2024 Forecast**
 - Increase in incentive program, \$9M
 - Increase in longshore labor to support breakbulk and autos, \$3.8M (offset revenue increase)
 - Increase in auto drayage, \$1.8M
 - Budget 2024 error in North Harbor utilities, \$1.8M
- **2024 Forecast vs 2025 Budget**
 - Headcount increase, \$0.8M
 - POS security increase, \$0.8M
 - POT security increase, \$0.6M
 - Higher insurance, \$0.2M

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18



19

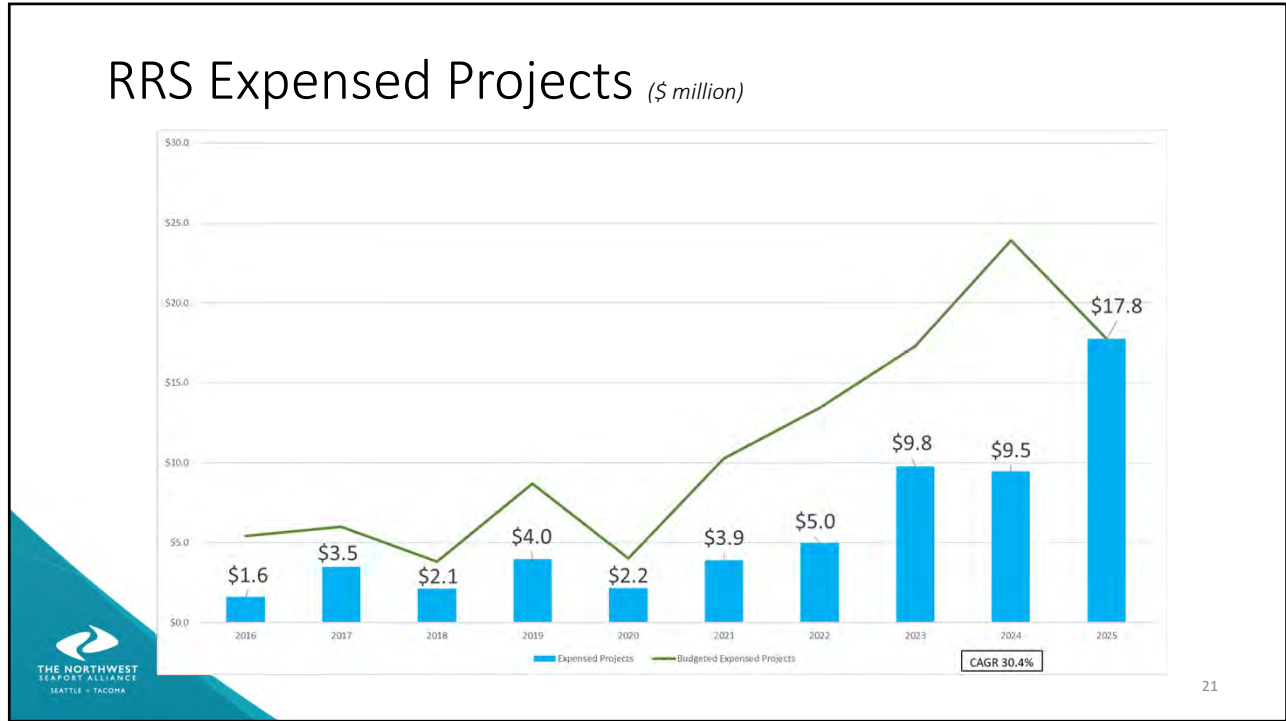
Maintenance

*in millions	2024 Budget	2024 Forecast	2025 Budget	2024 Forecast vs 2025 Budget	%
RRS Maintenance	\$17.3	\$17.7	\$18.8	\$1.1	6.0%

- **2024 Forecast vs 2025 Budget**
 - Maintenance labor cost increases in both harbors

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20



21

Expensed Projects

*in millions	2024 Budget	2024 Forecast	2025 Budget	2024 Forecast vs 2025 Budget	%
RRS Expensed Projects	\$23.9	\$9.5	\$17.8	\$8.3	87.9%

- **2024 Budget vs 2024 Forecast**
 - The following CIP expense projects were not completed as per original schedule:
 - T5 Management Reserve, \$6M
 - T46 SPU Pipe Repair, \$1.7M
 - Tote dredging, pavement and building repair, \$1.3M
 - PCT dredging, \$1.1M
 - East Sitcum Pile Cap Repairs, \$1M
 - Auto Paving Repairs, \$0.8M
 - T18 Substation Repairs, \$0.6M
 - West Sitcum dredging, \$0.4M

22

Expensed Projects

- **2024 Forecast vs 2025 Budget**

- The following CIP expense projects are new or weren't completed on schedule in 2024:
 - Tote maintenance dredging, building and paving Repairs, \$2.4M
 - IHI 2078 crane surplus, \$1.2M
 - PCT maintenance dredging, \$1.1M
 - North Harbor Maintenance Dredging (T18, 30 and 46), \$1.1M
 - Substation repairs (T30, T115), \$0.8M
 - T46 SPU Pipe Repair, \$0.6M
 - AWC Asphalt Repair, \$0.5M
 - Miscellaneous projects, \$0.6M



RRS Admin Expenses (\$ million)



NWSA RRS Administration

*in millions	2024 Budget	2024 Forecast	2025 Budget	2024 Forecast vs 2025 Budget	%
RRS Administration	\$13.8	\$13.8	\$15.6	\$1.8	13.4%

- **2024 Forecast vs 2025 Budget**

- 3 new heads (Exec Asst, Lawyer, Communications Specialist), \$0.6M
- Increase in legal (W. Sitcum litigation), \$0.6M
- Increase in travel, \$0.2M
- North Harbor NOAA, \$0.2M

25

RRS IT Expenses (\$ million)



26

RRS IT

*in millions	2024 Budget	2024 Forecast	2025 Budget	2024 Forecast vs 2025 Budget	%
RRS IT	\$10.7	\$8.1	\$10.7	\$2.6	31.7%

- **2024 Budget vs 2024 Forecast**
 - Allocation from POT IT under-budget primarily due to NextGen work being capitalized, \$1.8M
 - Port Community System work completed using lower cost solution
- **2024 Forecast vs 2025 Budget**
 - Allocation from POT IT increase, \$2.5M
 - Primarily driven by increases:
 - Consulting, \$0.9M
 - Amortization and Depreciation of Assets, \$0.8M
 - Software as a service, \$0.5M
 - Headcount increase, \$0.3M



NWSA Payroll

	2023	2024 Budget	2024 Forecast	2025 Budget	Var from Forecast	% Var	Var from Prior Budget	%Var
Salary Wages	7,365,189	8,481,974	8,483,281	9,957,246	1,473,965	17%	1,475,272	17%
Hourly Wages	108,435	146,799	97,500	96,088	-1,412	-1%	-50,711	-35%
OT Wages	4,298		1,823		-1,823	-100%	0	0%
Total Wages	7,477,922	8,628,773	8,582,604	10,053,334	1,470,730	16%	1,424,561	17%
F.I.C.A.	538,763	598,358	654,151	699,453	45,302	7%	101,095	17%
S.U.I.	15,104	34,311	28,235	39,486	11,251	40%	5,175	15%
Medical Benefits	1,719,888	1,894,620	1,856,395	2,229,332	372,937	20%	334,712	18%
Employee Pension	741,897	770,229	786,212	895,165	108,953	14%	124,936	16%
Other Benefits	-558,094	365,576	389,609	364,543	-25,066	-6%	-1,033	0%
Total Benefits	2,457,558	3,663,094	3,714,602	4,227,979	513,377	14%	564,885	15%
<i>Benefits % of Total</i>	<i>32.86%</i>	<i>42.45%</i>	<i>43.28%</i>	<i>42.06%</i>				
Port Salaries & Benefits	9,935,480	12,291,867	12,297,206	14,281,313	1,984,107	16%	1,989,446	16%

- \$275,044 for annual pay increases for salaried employees starting April. (4% increase)
- \$24,269 for annual recognition paid to salaried employees in April.
- \$194,149 for marketplace adjustments for salaried employees during the year.
- Average Salary of \$142,757. Benefits of 42%
- NWSA assumes a 6% vacancy rate (4 positions)



Memberships

MM approval of NWSA Memberships over \$10,000 required per NWSA Master Policy

Organization	2024		
	2024 Budget	Forecast	2025 Budget
American Association of Port Authorities	\$ 78,000	\$ 82,639	\$ 83,000
Pacific Northwest Waterways Association	34,500	\$ 38,238	37,000
Washington Council on International Trade	20,000	\$ 20,000	20,000
Green Marine	11,000	\$ 11,435	12,000
Clean and Prosperous Washington	10,000	\$ 10,000	10,000
All Other Memberships under \$10,000	63,822	\$ 44,999	75,400
Total NWSA Memberships	\$ 217,322	\$ 207,311	\$ 237,400

Actual amounts paid may vary slightly as some dues are calculated based on fiscal year financial results.



29

29

Promotional Hosting

- RCW 53.36.120 & 130 requires that Port expenditures for Industrial Development, Trade Promotion, and Promotional hosting be specific budgeted items
- Promotional hosting is “Furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with: Business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotion activities of the port”

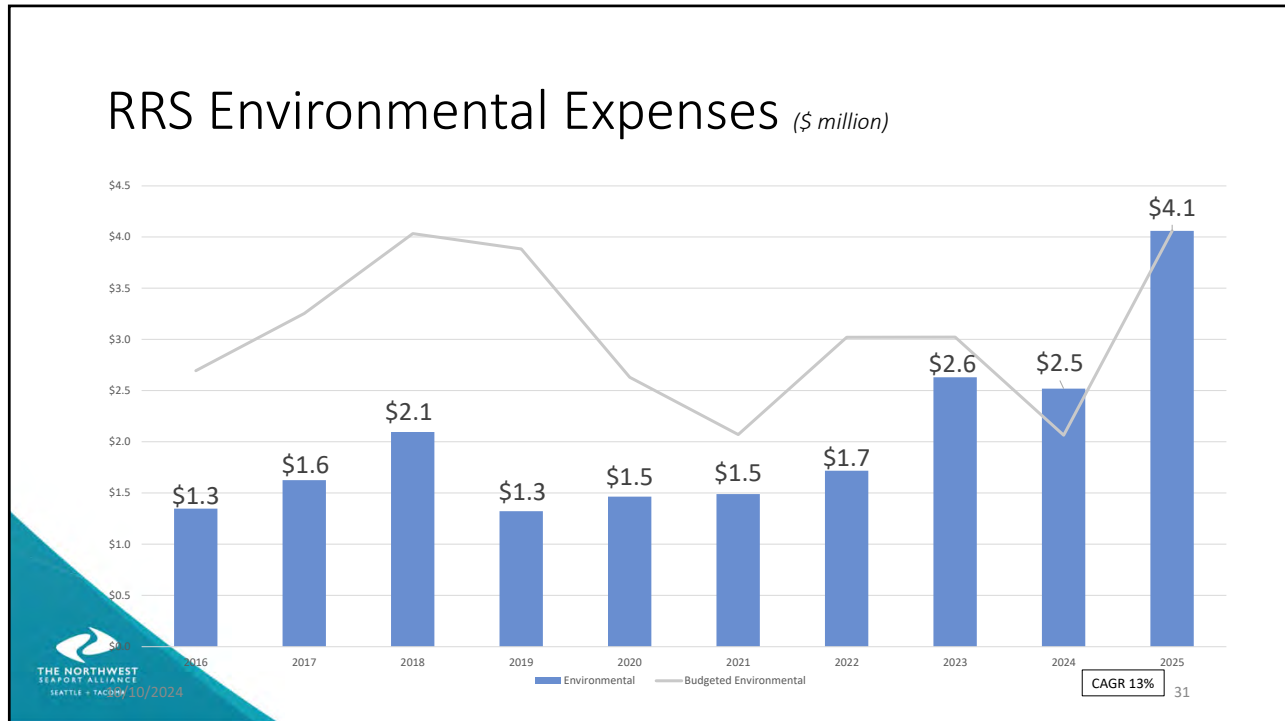
	2023 Actual	2024 Forecast	2025 Budget
Hosting	\$140,291	\$237,808	\$261,875

2025 Statutory limit is \$696,261



30

30



31

Environmental

*in millions	2024 Budget	2024 Forecast	2025 Budget	2024 Forecast vs 2025 Budget	%
RRS Environmental	\$2.1	\$2.5	\$4.1	\$1.5	61.1%

- **2024 Budget vs 2024 Forecast**
 - NWPCAS ZE Cargo Handling Support not in 2024 budget, \$0.2M
 - Zero Emission Truck Collaborate over-budget, \$0.2M
 - NWSA Clean Truck Program not in 2024 budget, \$0.2M
- **2024 Forecast vs 2025 Budget**
 - Increased spend on air quality and stormwater compliance programs, \$1.1M
 - Headcount add (1), \$0.2M
 - Increased consulting, Building Energy Regulatory Compliance, \$0.2M

32

Historical NWSA Depreciation (\$million)



33

33

Non-Operating (\$million)



34

34

2025 and Future Grants

- 2025 Grants \$18.7M {Totals past, present, future} {\$61.5M}
 - T5 Gate Complex \$8.9M {\$11.9M}
 - T5 Reefer Power \$1.9M {\$4.3M}
 - T5 Phase 2 Paving \$2.3M {\$3.3M}
 - T5 Reefer Demarcation \$1.5M {2.0}
 - T5 IY \$0.9M {\$1.3M}
 - T5 stormwater \$0.6M {\$3.2M}
 - T5 Container Yard Expansion \$1.0M {\$6.7M}
 - T5 Reefer and Contract Admin \$0.2M {\$0.5M}
 - T18 Shore power design \$0.4M {\$1.0M design}
 - PCT Wapato Creek Culvert \$0.7M {\$26.5M}
 - Zero Emission Port Truck Administration \$0.2M {\$0.8M}
- Future Grants {\$14.5M}
 - Husky PIDP 2023 \$0M {\$14M}
 - T18 Loop Track \$0M {\$0.5M}

35

NWSA 2025 Budget and Four Year Forecast

(\$ millions)	2025	2026	2027	2028	2029
Operating Revenue	\$268.5	\$281.2	\$288.2	\$297.0	\$308.2
Total Operating Expenses before Dep.	(143.5)	(142.7)	(145.5)	(143.8)	(145.9)
Depreciation & Amortization	(28.9)	(43.9)	(47.8)	(52.1)	(54.5)
Operating Income	96.1	94.7	94.9	101.2	107.8
Grant Income	18.7	15.9	19.0	13.4	3.0
Other Non Operating Income	1.9	1.6	1.4	1.4	1.4
Net Distributable Revenue	116.7	112.2	115.2	115.9	112.1
Distributable Cash (calculated)	\$145.6	\$156.1	\$163.0	\$168.0	\$166.6
HMT funds (not in NWSA P&L)	53.9	53.9	53.9	53.9	53.9
Total Distributable + HMT	\$199.5	\$210.0	\$216.9	\$221.9	\$220.5

36

Capital Investment Plan

Although funds for a project are included in the CIP, the project is not automatically authorized to proceed. Managing Member approval is required for all projects over \$350,000 regardless of budget inclusion

37

2024 - 2029 Net CIP (\$ million)

Description	North Harbor (Seattle)	South Harbor (Tacoma)	Total
Total Projects	\$308.5	\$258.4	\$567.0
Less Grants	(34.6)	(41.4)	(76.0)
Net Project before Amortization	\$273.9	\$217.1	\$491.0
Less Amortized Projects	(50.2)	(7.0)	(57.2)
Total Projects - NET	\$223.8	\$210.1	\$433.8

All projects capitalized and expensed

Discussion

- \$567 Million total
- \$76M of grants reduces the cash the NWSA spends on these projects
- \$57.2M of projects will be directly recovered by additional charges to customers
- Net of \$434 Million before any HMT funding

38

NWSA HMT Eligible Projects (\$ thousand)

Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-2029
T18 Pile Cap Repairs Construction Only (HMT eligible)	0	2,340	34,109	17,055	0		53,504
T7 Infrastructure repairs and improvements - (HMT Eligible)	54	1,200	14,226	15,000	15,000	6,419	51,899
T30 Dock Rehabilitation (HMT eligible)	0	500	2,000	5,000	1,055		8,555
T18 Maintenance Dredging (HMT eligible)	152	542	4,058	3,766	0		8,518
T25 Dock Rehabilitation (HMT eligible) -Design	0	0	1,054	4,000	0		5,054
T30 Maintenance Dredging (HMT eligible)	127	508	2,207	1,888	0		4,730
PCT Fender Replacement (HMT eligible)	2,839	0	0	0	0		2,839
WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	742	1,600	54	0			2,396
T18 North Fender Replace (HMT eligible)	226	836	1,310	21	0		2,393
Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	471	1,200	200	95			1,966
TOTE Berth Maintenance Dredging (HMT eligible)	225	1,600	0	0	0		1,825
PCT Maintenance Dredging (HMT eligible)	30	1,162	0	0	0		1,192
Projects under \$1M	2,071	1,847	800	0	0	0	4,718
Total	\$6,937	\$13,335	\$60,018	\$46,825	\$16,055	\$6,419	\$149,589

- Recommend utilization of Harbor Maintenance Tax / Section 2106 funds like Managing Members approved in 2023
- Note: T46 N & NW Bulkhead replacement, WUT berth dredging/toe wall design and Husky berth dredging/toe-wall projects include design costs only. Construction cost, when known, will significantly increase the HMT eligible projects.



39

39

2024 - 2029 CIP by Year by Harbor (\$ thousand)

Home Port	2024 Forecast	2025	2026	2027	2028	2029	2024-2029 Total
POT	19,646	43,608	53,531	55,174	36,454	10,119	218,531
POS	20,309	33,279	61,381	42,933	6,410	1,980	166,292
T5	33,902	83,572	24,621	150	0	0	142,245
Husky	11,768	9,340	5,200	10,095	3,500	0	39,903
Grand Total	\$ 85,624	\$ 169,799	\$ 144,732	\$ 108,352	\$ 46,364	\$ 12,099	\$ 566,970

All projects capitalized and expensed
We will provide a detailed list later in the presentation

Discussion

- \$258.4M of CIP spending is in the south harbor (46%)
- \$308.5M of CIP spending is in the North Harbor (54%)
 - T5 project spending of \$142.2M will be offset by \$32M in grants and \$48.1M of direct payments from SSA for improvements for a total of \$79.9M



40

40

Major projects excluded from Budget

Project	Rough Estimate +/- 100% \$M	Years	External Funding
Tacoma Terminal Expansion (no stage 2)	\$ 150	2029	Grants
T18 Shore Power Construction	\$ 69	2025-28	Grants
T46 N & NW Bulkhead Replacement (HMT eligible) Construction	\$ 38	2026-28	HMT
T46 South Dock Rehabilitation (HMT eligible)	\$ 36	2027-28	HMT
T25 Dock Rehabilitation (HMT eligible) -Construction	\$ 33	2028	HMT
WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	\$ 28	2026-28	HMT
PCT Shorepower - Construction phase	\$ 28	2028-29	Grants
T18 Water Main & Valve Replacement North - Construction	\$ 23	2026-27	
Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	\$ 18	2026-27	HMT
WUT Shore Power Construction	\$ 17	2027-28	Grants
T30 South Water Main Replacement	\$ 5	2027-28	
T46 South Concrete Deck Replacement (HMT eligible)	\$ 5	2026-28	HMT
TOTE Sandlot Improvements Drainage Construction	\$ 4	2025	
T46 SE Bulkhead Replacement (HMT eligible)	\$ 4	2024-27	HMT
T46 Maintenance Dredging (HMT eligible) Construction	\$ 3	2026-27	HMT
Total projects for future budgets	\$ 461		

T46 deferred maintenance estimated total \$86M

Husky and WUT Dredge and Toewall (HMT Eligible) estimated total \$46M

- Projects excluded because of lack of commercial agreement or further design efforts required to solidify scope and cost estimate. Staff not ready to make a recommendation to move forward.
- Numbers shown are gross estimates. Not offset by grants / external funding



2016-2023 Project spending split including Capital Grants

Location	2016-2023		2024	2025	2024-2025		2016-2025	
South Harbor	271,786,430	43%	24,470,930	38,268,000	62,738,930	29%	334,525,360	39%
North Harbor	360,217,543	57%	41,429,140	111,685,000	153,114,140	71%	513,331,683	61%
Total	\$632,003,973	100%	\$65,900,070	\$149,953,000	\$215,853,070	100%	\$847,857,043	100%

- Some of the expensed attributed to south harbor cover both harbors (clean air projects)



2024 - 2029 CIP by Category (\$ thousand)

Group	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29
Maintenance	19,429	50,230	68,958	55,952	22,865	2,075	219,509
T5	33,902	83,572	24,621	150	0	0	142,245
Op upgrade	9,442	12,220	35,270	37,826	18,000	9,419	122,177
Husky	11,768	9,340	5,200	10,095	3,500	0	39,903
Environmental	5,890	14,137	10,383	4,029	1,999	605	37,043
SupportSys	5,194	300	300	300	0	0	6,094
Grand Total	\$ 85,624	\$ 169,799	\$ 144,732	\$ 108,352	\$ 46,364	\$ 12,099	\$ 566,970

Definitions

- **Maintenance = repair of existing asset**
- **T5 = \$454M authorized project plus intermodal improvements**
- **South Harbor Terminal expansion per 2035 Vision**
- **Environmental=ongoing clean air and clean water projects**
- **Operational Upgrades = Added capacity or improved functionality.**
- **Husky – Improvements to the terminal including 8 cranes, T4 wharf, tenant improvements, shore power, maintenance berth dredging and toe wall**
- **Support Systems = CBP improvements**

2024 CIP Spending - Projects over \$1M (\$ thousand)

Project Name	Amount
T5 Berth Construction - Phase 2 (1,450' south)	\$8,545
Terminal 3/4 Shorepower	6,565
T5 Rail Quiet Zone (public exp)	4,769
T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	4,705
T5 Intermodal Yard Improvements	4,628
Husky Terminal Expansion	4,526
T5 Reefer High Voltage Distribution (SSA will do work)	4,133
T30 Central Substation Replacement	3,727
T46 N. Substation #1 Replacement (NWSA 80%, POS 20%)	3,162
PCT Fender Replacement (HMT eligible)	2,839
EB1 Yard Reconfiguration	2,776
T5 Stormwater Treatment System	2,439
T18 Shore Power Design	1,930
NWSA LED Conversion	1,900
PCT Operating Pavement Repair (2023-27)	1,500
T5 City Power Supply (public exp)	1,500
T5 Transtainer Runs (SSA will do work)	1,461
T5 Operational Readiness	1,180
Subtotal projects over \$1M	\$62,285
Total Forecast	\$85,624
% of project over \$1M	73%

All these projects have been authorized by the MM except for the Husky Terminal Expansion project

2025 CIP Spending- Projects over \$1M *(\$ thousand)*

Project Name	Amount
T5 Reefer High Voltage Distribution (SSA will do work)	\$18,842
T5 Gate Complex (SSA will do work)	16,294
T5 Berth Construction - Phase 2 (1,450' south)	14,479
T5 Phase II Uplands Paving (SSA will do work)	14,338
T5 Container Yard Expansion	7,554
W Sitcum Terminal Wooden Light Pole Replacement (SSA will do the work)	7,000
Husky Area A5 & A6 Paving Repair	6,915
T5 Reefer Demarcation Infrastructure (SSA will do work)	6,716
T18 Shore Power Design	6,315
Wooden Light Pole Replacement Program	4,950
T5 Phase 2 Premises Management Reserve - capital	4,000
T18 Transtainer Runs (no stage 1 or stage 2) (SSA will do work)	3,500
T18 Pile Cap Repairs Construction Only (HMT eligible)	2,340
Clean Cargo Handling Equipment Incentive Program	2,200
W. Sitcum Main Substations Replacement	2,112
Jack Block Park Pier & Plaza Replacement	2,000



10/10/2024

45

45

2025 CIP Spending Projects over \$1M – Conclusion *(\$ thousand)*

Project Name	Amount
T5 Roof Replacements	1,838
T46 Office Improvements	1,685
WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	1,600
TOTE Berth Maintenance Dredging (HMT eligible)	1,600
West Sitcum Bldg. 950 Sewer Line Replacement	1,590
NWSA LED Conversion	1,519
PCT Operating Pavement Repair (2023-27)	1,500
WUT Shore Power Prelim Design (Moved into Design Phase)	1,312
Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	1,200
IHI 2078 Crane Surplus	1,200
PCT Wapato Creek Culvert Replacement	1,200
T7 Infrastructure repairs and improvements - (HMT Eligible)	1,200
PCT Maintenance Dredging (HMT eligible)	1,162
Husky Terminal Expansion	1,000
AWC Asphalt Replacement and Stormwater	1,000
Subtotal projects over \$1M	\$140,161
Total 2025 Budget	\$169,799
% of Budget	83%



10/10/2024

46

46

2024/2025 Projects to be authorized – over \$350k (\$ thousand)

Location	Project Name	Type of Reques	2024/2025 Total	2025-2029 Total Budget
Air Quality	Clean Cargo Handling Equipment Incentive Program	(blank)	2,300	4,400
	FY21 DERA Grant Scrap Bonus Program	(blank)	460	288
	NWPCAS ZE Truck Support	(blank)	452	336
	Zero Emission Drayage Demonstration Program	(blank)	420	420
Air Quality Total			3,632	5,444
AWC	AWC Asphalt Replacement and Stormwater	Construction	1,000	1,350
AWC Total			1,000	1,350
Husky	Husky Area A5 & A6 Paving Repair	Construction	6,915	6,915
	Husky Terminal Expansion	Construction	5,526	19,500
Husky Total			12,441	26,415
IT	PCS: Truck Experience Measurement- Implementation	Construction	500	2,500
IT Total			500	2,500
Jack Block	Jack Block Park Pier & Plaza Replacement	Design	2,050	9,950
Jack Block Total			2,050	9,950
PCT	PCT LED Lighting Upgrade	Design	800	2,840
	PCT Reefer Racks & Plugs	Design	450	14,700
	PCT Shorepower - Design phase	Design	400	2,725
	PCT Transfer Zone Pavement Reconstruction	Design	388	5,147
	PCT Wapato Creek Culvert Replacement	Design	1,500	35,000
	Wapato Creek Culvert Outfall & Interceptor Pipe Repair	Construction	372	364
PCT Total			3,910	60,776



10/10/2024

47

47

2024/2025 Projects to be authorized – over \$350k (\$ thousand)

Location	Project Name	Type of Reques	2024/2025 Total	2025-2029 Total Budget
T115 General	T115 South Substation - Electrical Maintenance Assessment	Construction	424	424
T115 General Total			424	424
T18	T18 Deepening (Design)	Design	552	1,182
	T18 Lift Station Replacement	Design	410	2,139
	T18 Maintenance Dredging (HMT eligible)	Design	694	8,366
	T18 Pile Cap Repairs Construction Only (HMT eligible)	Design	2,340	53,504
	T18 Water Main & Valve Replacement North - Design	Construction	400	1,000
T18 Total			4,396	66,191
T30	T30 Dock Rehabilitation (HMT eligible)	Design	500	8,555
	T30 Main Substation (North) - Electrical Maintenance Assessment	Construction	424	424
	T30 Maintenance Dredging (HMT eligible)	Design	635	4,603
T30 Total			1,559	13,582
T46	T46 High Mast Lighting Retrofit	Construction	360	345
	T46 Install Removable Bull Rail	Construction	500	500
	T46 Light Pole Replacement	Construction	510	760
	T46 Lighting Controls	Construction	460	450
	T46 Office Improvements	Construction	1,712	1,685
	T46 SPU Combined Pipe Repair	Design	724	1,929
T46 Total			4,266	5,669
T5	T5 Main Low Voltage Substation Maint & Relay Replacement	Construction	680	660
	T5 Rail Bungalows Controls Updgrade	Construction	550	850
	T5 Roof Replacements	Construction	1,992	2,576
T5 Total			3,222	4,086



10/10/2024

48

48

2024/2025 Projects to be authorized – over \$350k

(conclusion) (\$ thousand)

Location	Project Name	Type of Request	2024/2025 Total	2025-2029 Total Budget
T7	IHI 2078 Crane Surplus	Construction	1,200	1,200
	T7 Infrastructure repairs and improvements - (HMT Eligible)	Design	1,254	51,845
T7 Total			2,454	53,045
TOTE	Terminal Building repairs or replacements - TOTE	Construction	500	500
	TOTE Terminal Pavement Maintenance & Repair	Construction	550	550
TOTE Total			1,050	1,050
W. Sitcum	W. Sitcum Main Substations Replacement	Construction	2,268	2,812
	West Sitcum Bldg. 950 Sewer Line Replacement	Construction	1,732	1,590
W. Sitcum Total			4,000	4,402
WST	W Sitcum Terminal Wooden Light Pole Replacement (SSA will do the work)	Construction	7,000	7,000
WST Total			7,000	7,000
WUT	WUT Bollard Upgrades	Design	350	7,386
	WUT Shore Power Prelim Design (Moved into Design Phase)	Design	1,876	1,492
WUT Total			2,226	8,878
Grand Total			\$ 54,130	\$ 270,762



10/10/2024

49

49

Potential Federal Funds being pursued

- Likely Sources
 - Port Infrastructure Development Program (PIDP)
 - Diesel Emission Reductions Act (DERA)
 - Inflation Reduction Act (IRA)
 - Congestion Management Air Quality (CMAQ)
 - Earmarks
 - Federal Highway Administration (various grant programs)
- Potential Sources
 - Consolidated Rail Infrastructure and Safety Improvements (CRISI)
 - Railroad Crossing Elimination (RCE)
 - Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
 - Maritime Highway (MARAD)



50

50

Potential State Funds being pursued

- Likely Sources
 - Climate Commitment Act
 - Clean Energy Fund
 - Clean Water Fund
 - Earmark
- Potential Sources
 - Clean fuel standards

51

Lookahead – FY2025 PIDP

Preliminary discussions for FY25 Maritime Administration (MARAD) Port Infrastructure Development Program (PIDP).

Potential projects:

- Terminal 18 and Washington United Terminal - weigh-in-motion
 - currently being installed at Terminal 5
 - gate operations and efficiency project
- Terminal 18 - water system replacement
- Terminal 10 - rail (RayMont not likely to be ready for FY2025)
- Terminal 25 south - redevelopment
- East Blair 1 - shore power construction
- Terminal 7 - rehab
 - ~\$60 million project
 - Also pursue Defense Community Infrastructure Program funding (federal) in 2025 and in 2026 go after Defense Community Compatibility Account funding

52

CIP Budget Summary

- 2025-2029 Five-year CIP totals \$481.3 million
- 2024-2029 Six-year CIP totals \$567 million
- 2025 MM requests primarily include design for future maintenance and upgrades and some maintenance and operational upgrades
- Significant maintenance and operational upgrades could be requested in the years between 2026-2029

53

Budget Adoption Meeting

- Managing Member Actions on November 5:
 - Vote on 2025 Operating Budget including Memberships over \$10,000 and Promotional hosting
 - Vote on 2025-2029 Capital Investment Plan
 - Not authorizing any projects. Each project still requires authorization per delegation or by MM vote
 - Vote on the Service Level Agreements (SLAs) between the NWSA and POT, POT and NWSA, and POS and NWSA

54

Budget Summary

- 2024 Net Distributable Income is projected to be \$115.7 million, \$1.4 million above budget level of \$114.3 million. Distributable cash is calculated to be \$140.6 million, \$3.1 million below budget.
- 2025 Net Distributable Income is projected to be \$116.7 million. Distributable cash of \$145.6 million.
- 2024 and 2025 are years impacted with investments to support future growth
- Both years are projected to provide over \$140M in distributable cash and over \$50M in HMT funds



THE NORTHWEST
SEAPORT ALLIANCE

The Northwest Seaport Alliance 2025 Budget



Operating Budget and Capital Investment Plan adopted:
November 5, 2024



In June 2024, Inbound Logistics magazine named The Northwest Seaport Alliance in its annual list of “Green 75” supply chain partners. This is the eighth consecutive year that the NWSA has been recognized for its environmental programs and commitment to sustainability.



The Northwest Seaport Alliance joined Green Marine in 2016 and has maintained its continued improvement every year since becoming a member. Green Marine is a voluntary marine industry initiative with the goal of achieving levels of environmental performance that exceed regulatory requirements in areas such as air emissions, greenhouse gases, cargo waste management, community impacts (noise, dust, odors, and light), water and land pollution prevention and environmental leadership. There are currently more than 100 ship owners, port authorities, terminals, and shipyards from coast to coast, in Canada and the United States, participating in the program.



In 2024, the Northwest Seaport Alliance (NWSA) was selected as the leading West Coast port in the 41st Annual Quest for Quality Awards by Logistics Management. The NWSA received the highest overall rating among West Coast ports with top scores in the Ease of Doing Business, Intermodal Network and Value categories.

Table of Contents

Memo from John Wolfe, CEO.....	i
Budget Document Overview	ii
I. The Northwest Seaport Alliance Overview.....	I-1
II. Budget Message.....	II-1
III. Business Outlook.....	III-1
IV. Operating Budget.....	IV-1
V. Capital Investment Plan.....	V-1
VI. Environmental Stewardship & Planning	VI-1
Appendix A NWSA Full Time Personnel.....	A-1
Appendix B NWSA Memberships.....	A-2

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Figures

<u>Figure</u>		<u>Page Number</u>
I-1	Northwest Seaport Alliance Facilities – Seattle Harbor.....	I-6
I-2	Northwest Seaport Alliance Facilities – Tacoma Harbor.....	I-7
I-3	The Northwest Seaport Alliance Organizational Chart.....	I-8
V-1	Five-Year Capital Investment Plan by Line of Business	V-4

Tables

<u>Table</u>		<u>Page Number</u>
III-1	Cargo Activity Five-Year Forecast	III-3
IV-1	Statement of Revenue, Expenses and Distributable Income by Business	IV-4
IV-2	Operating Revenue and Expense Detail.....	IV-5
IV-3	Statements of Revenues, Expenses and Changes in Net Position	IV-6
IV-4	Allocations and Direct Charges Summary.....	IV-7
IV-5	NWSA Six-Year Financial Forecast	IV-7
V-1	Planned Capitalized Project Spending.....	V-2
V-2	Five-Year Planned Capital Investment Plan by Purpose	V-3
V-3	Five-Year Planned Capital Investment Plan by Accounting Treatment	V-3
V-4	Five-Year Planned Major Projects by Line of Business.....	V-3
V-5	Depreciation Impact due to Capitalized Projects	V-3

To: Managing Members

Date: November 5, 2024

Subject: The Northwest Seaport Alliance Operating Budget and Five-Year Capital Investment Plan

Staff is pleased to present the 2025 Northwest Seaport Alliance (NWSA) Budget. This document outlines the NWSA's overall goals and strategies as well as the business environment in which we operate. It highlights the strategic investments that will deliver competitive financial results, build infrastructure in an environmentally sustainable manner, and create jobs and economic wealth in the Puget Sound region.

In 2024, cargo volumes rebounded along the U.S. West Coast, and congestion at Canadian terminals contributed to increased containerized cargo in our gateway. The strategic opening of Terminal 46 to support the NWSA auto business has diversified our cargo in the Seattle harbor.

The NWSA is committed to infrastructure investment that drives competitive opportunities and economic growth across the region. The recent opening of Terminal 5's second berth, following a substantial investment, underscores our dedication to supporting our state and nation's supply chain.

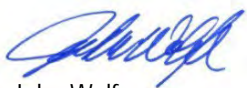
The NWSA is an environmental leader in reducing maritime-related air emissions in the Puget Sound. While we create significant economic activity and family wage jobs across the state, we do so while maintaining a focus on environmental stewardship, installing shore power on our terminals, launching a zero-emissions truck collaborative, and utilizing state-of-the-art stormwater systems at our facilities. The NWSA is leveraging significant federal and state grant funds awarded in 2024 to strengthen key environmental initiatives.

Together, NWSA and our customers' business activities generate more than 21,000 direct jobs and \$0.8 billion of business output based on the most recent study released in 2021 from 2020 data.

The current NWSA's Strategic Business Plan includes:

- Improve the efficiency and cost competitiveness of the supply chain
- Enhance NWSA, local and regional transportation infrastructure
- Advance the NWSA's market position in the international and domestic shipping industry
- Increase revenue through growth and diversification
- Advance environmental stewardship

The NWSA is well positioned for future growth. Our infrastructure investments, coupled with our commitment to environmental leadership, will solidify our position as a premier North American port. Our team remains dedicated to responsible financial practices, operational excellence, and fostering economic prosperity throughout the region.



John Wolfe
Chief Executive Officer

Budget Document Overview

The Budget Document consists of these major sections:

I. Overview: This section provides information about the NWSA's facilities and customers. It examines the economic context of the NWSA's operating environment and outlines the NWSA's organizational structure.

II. Budget Message: This includes an overview of the budget challenges and opportunities, revenue types and expenditures. The Budget Message outlines the priorities and issues for the budget year and describes changes from the previous year.

III. Business Outlook: This section describes the NWSA's overall goals and strategies. It includes assumptions, potential obstacles and trends that staff used to develop the forecast. These serve as the foundation for the Operating Budget.

IV. Operating Budget: This section provides a summary of the assumptions that form the basis for the NWSA's operating budget. This section includes the operating budget with revenue and expenses by line of business, and details of expected operating costs. This section also provides a five-year financial forecast for the alliance.

V. Five-Year Capital Investment Plan (CIP): The CIP consists of all capitalized and expensed projects that the NWSA plans to complete in the next five years. Capitalized projects affect the NWSA's Profit and Loss statement through depreciation while expensed projects flow directly to the NWSA's net income in the year the expenses are incurred. This section provides details on the CIP including the impact of the capital spending on profitability.

VI. Environmental Stewardship and Planning: This section provides a historical context for the environmental challenges facing our gateway and the surrounding communities. This section also discusses the role of the NWSA Planning and Logistics department and its work to integrate land use, transportation and facilities planning into the alliance.

I The Northwest Seaport Alliance Overview

Marine Cargo Operating Partnership

The Northwest Seaport Alliance (NWSA) was formed when the ports of Seattle and Tacoma joined forces in August 2015 to unify management of marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs to the region.

NWSA Strengths and Advantages

Located in the Pacific Northwest in Washington state, the NWSA offers short transit times between the US and Asia, and the terminal and landside infrastructure necessary to quickly move cargo to the U.S. Midwest. NWSA strengths and advantages include:

- One gateway, two harbors and multiple terminal facilities offering more choices for shippers using the gateway.
- Naturally deep-water harbors and marine terminals with big-ship handling capabilities.
- Vessel service from the three international container shipping alliances and all major international container carriers. In all, fifteen international and four domestic container carriers make regular port calls at NWSA facilities.
- Dual service from the two West Coast transcontinental railroads (UP, BNSF) with competitive transit times to Chicago and other major Midwest markets.
- Excellent on-dock rail facilities and inland rail service. Two domestic rail operators.
- Close proximity to the second largest concentration of warehousing on the West Coast.
- Over 100 transload warehouses supplying logistics services to shippers using the gateway, many rail-served.

International & Domestic Trade

The NWSA ranked 58th among the world's top container gateways and was the seventh-largest gateway for containerized cargo in North America in 2023. Retention and growth of cargo volumes

shipped between Asia and major distribution points in the Pacific Northwest, Midwest, Ohio Valley, and the East Coast is a primary focus for the alliance. The NWSA also has a very active trade with Alaska and Hawaii.

The NWSA is a major center for bulk, breakbulk, and project cargoes. The NWSA is also the Northwest home port for processing Kia, Mazda, and Mitsubishi automobiles and trucks while The Port of Tacoma has a separate facility, managed by the NWSA, that processes Hyundai, Nissan, and Volvo vehicles.

The value of NWSA's two-way international trade totaled more than \$70.7 billion in 2023. Imports were \$57.4 billion, and exports were \$13.3 billion. Through July 2024, the two ports handled roughly \$38.6 billion of international trade. Based on dollar value, China (including Hong Kong) was the NWSA's largest trading partner. Other major international trading partners include:

- Japan
- South Korea
- Vietnam
- Taiwan
- Thailand
- Indonesia
- Malaysia
- Philippines
- India

Seattle-Tacoma is recognized as "The Gateway to Alaska"; with more than 80 percent of trade between Alaska and the lower 48 states handled at the two harbors. In 2023, 3.1 million metric tons of domestic cargo was shipped between Alaskan ports and NWSA terminals. Matson, TOTE Maritime Alaska, Northland, and Alaska Marine Lines are the primary shipping lines plying the Alaska trade. Trade with Alaska is estimated at \$5.4 billion, making it NWSA's fifth largest trading partner based on value of trade. The NWSA also provides connections to Hawaii with service from Matson and Aloha Marine Lines.

Port of Seattle & Port of Tacoma

The Port of Seattle was created September 5, 1911, in an effort by citizens to ensure public ownership of the Seattle harbor. The Port of Seattle was the first autonomous municipal corporation in the United States specifically tasked to develop harbor and

port facilities to encourage commerce. The Port opened Fishermen's Terminal in 1914, its first warehouse in 1915 and began working on the creation of Harbor Island.

The Port of Tacoma was created on November 5, 1918, by Pierce County voters to create job opportunities through trade and promote economic development in Pierce County and the state of Washington.

The Port of Seattle and the Port of Tacoma's geographic boundaries lie within King and Pierce counties, respectively. They are situated on Elliott and Commencement bays in Puget Sound. Because of this strategic location, they offer efficient connections to sea, rail, highway, and air transportation networks.

King and Pierce Counties

King and Pierce counties are the first and second most populous metropolitan areas in Washington. The two counties represent a combined population of approximately 3.2 million or 41% of the population of the state of Washington.

Located about halfway between the Oregon and Canadian borders, King and Pierce counties cover 3,916 square miles.

Ports' Economic Impact

The ports serve as a major economic engine for Pierce County, King County, and the state of Washington, creating thousands of family-wage jobs and serving as a catalyst for economic development.

In 2021, the NWSA updated results from a joint economic impact study of the marine cargo activities of the North and South Harbor. According to the updated study ranging from 2017 to 2020, in 2020 marine cargo activities directly supported 21,800 jobs in Washington state and contributed \$7.8 billion in total business output, down from 2019 volumes due to the pandemic. On average, cargo-handling and leasing activities generated more than \$136 million in local and state taxes in Washington each year.

NWSA Facilities and Services

The ports have licensed to the NWSA facilities related to maritime commerce, including facilities for handling containerized cargo, automobiles, logs,

breakbulk cargo, heavy-lift and project cargoes, and intermodal rail operations. The NWSA's four major waterways – two in Seattle and two in Tacoma – provide 33 ship berths on waterways that are about 51 feet deep. The NWSA facilities are located near I-5 and I-90, providing highway access to the Puget Sound market and beyond.

BNSF Railway and the Union Pacific Railroad serve the NWSA's nine on-dock and near-dock intermodal rail yards. The NWSA's intermodal rail facilities help save shippers and shipping lines both time and money for cargo destined for Midwest locations.

In Tacoma, Tacoma Rail, a division of Tacoma Public Utilities, provides switching and terminal rail service. Arrival and departure tracks help ensure efficient and reliable access to the mainline railroads.

The NWSA is both a landlord and an operating port. The NWSA's maritime marketing efforts focus on attracting cargo and additional shipping lines to its facilities. The NWSA also works with charter shippers and others to move their cargoes through both NWSA and customer-operated facilities in the Puget Sound.

Many of the two home ports' efforts are focused on industrial development and real estate. They each work to attract major manufacturers and warehouse/distribution centers to King and Pierce counties.

See Figures 1-1 and 1-2 for an overview of The Northwest Seaport Alliance facilities in Seattle and Tacoma, respectively.

The Northwest Seaport Alliance governance

The NWSA was established as a Port Development Authority (PDA), separate from the two home ports, like Public Development Authorities formed by cities and counties. In 2015, the ports successfully sought and received an amendment to Washington law RCW 53 that allows the ports of Tacoma and Seattle to form a PDA for management of maritime activities.

The NWSA is governed by the two ports as equal members, with each port acting through its elected commissioners. Each Port Commission is a Managing Member of the NWSA, with each Managing Member being represented by its Port Commission. Votes by the Managing Members require a simple majority from each commission.

Each port remains a separate legal entity, independently governed by its own elected commissioners. Each port has granted the PDA a license for the PDA's exclusive use, operation, and management of certain facilities, including the collection of revenues. Ownership of the licensed facilities remains with the ports, not the PDA.

The ports remain responsible for their own debt and debt service; the PDA will not borrow funds.

The ports set up an initial 50/50 investment in the PDA; operating income is reported, and cash is distributed back to the ports on a monthly basis. The PDA has its own annual operating budget and five-year capital investment plan.

The ports contribute to capital construction subject to Managing Members approval; capital funding does not come from working capital generated by the NWSA.

NWSA Managing Members

The Managing Members are the commissions for each of the two home ports. The citizens of Pierce and King counties each elect a five-member Port Commission to govern the ports of Tacoma and Seattle. Each Commission seat is elected every four years, on a staggered basis.

The Managing Members are the final authority for approval of the NWSA's annual budget, long-term leases, policies, long-range development plans, and all construction projects and spending in amounts exceeding the authority of the Chief Executive Officer.

The members of the commissions at the time of this publication are:

Port of Seattle

- Ryan Calkins
- Sam Cho
- Fred Felleman
- Toshiko Hasegawa
- Hamdi Mohamed

Port of Tacoma

- Kristin Ang
- Deanna Keller
- Dick Marzano
- John McCarthy
- Don Meyer

NWSA Managing Members Meetings

Managing Member meetings are open to the public and are held at various locations in both King and Pierce counties and online.

For the location and agenda for upcoming Managing Member meetings, as well as minutes for previous Managing Member meetings, visit www.nwseaportalliance.com.

The NWSA streams all Managing Member meetings live on the website, which are archived for future viewing.

Citizens may contact the Managing Members by calling 800-657-9808. Correspondence may be mailed to:

The Northwest Seaport Alliance
P.O. Box 2985
Tacoma, WA 98401-2985

Organizational Structure

The NWSA's daily operations are led by the Chief Executive Officer and the NWSA Executive Team. See the Organizational Chart (Figure I-3 on page I-8).

Executive Team

The Executive Team is comprised of the following positions:

- Chief Executive Officer (CEO)
- Deputy CEO
- General Counsel
- Chief Commercial and Strategy Officer
- Chief Financial Officer
- Chief Operations Officer
- Sr. Director of Engineering
- Sr. Director of Environmental/Planning Programs
- Sr. Director, NWSA Real Estate
- Director of Communications
- Director, Government Affairs, Public Affairs
- Director, Business Development

The Executive Team oversees all business activities and departments, and with the Managing Members,

provides long-term strategic direction. The Executive Team ensures compliance with all regulations relevant to NWSA and port activities, including public meetings and information, environmental protection, labor relations, procurement, security, financial management and other issues. The Chief Operations Officer, Sr. Director of Engineering and Sr. Director of Environmental Programs provide day-to-day management of some port staff working on both Port and NWSA-related items.

Commercial Group

Led by the Chief Commercial and Strategy Officer, the Commercial Group is comprised of the Container Cargo Business Development team, the Non-Container Business Development team, the Marketing & Business Services team, and the Real Estate team.

Business Development Teams: International and domestic container, breakbulk, and bulk cargo are core business segments for the NWSA. The Container Cargo Business Development and Non-Container Cargo Business Development teams are responsible for cargo and terminal business development and management, and delivering customer service to ocean carriers, marine terminals, and shippers. The Business Development teams play an important role coordinating efforts across the entire supply chain, including customers, terminal facilities, railroads, and trucking companies. These teams, in cooperation with the Operations Team and our customers, identify and implement operational improvements to enhance the overall efficiency at the NWSA's terminals.

The gateway's on-dock and near-dock intermodal rail yards, along with international and domestic rail services to the U.S. Midwest, are key assets and an integral part of the NWSA businesses. Relationship management with Tacoma Rail, BNSF, and Union Pacific (UP) and other rail stakeholders is a key function of both the Container and Non- Container teams.

While the Container Cargo Business Development Team is focused on both the domestic and international container cargo trade, the Non-Container Cargo Business Development team is focused on the robust non-container business. Comprised of breakbulk (Roll-on/Roll-off, also known as RoRo), Military, bulk and auto cargoes, these non-container segments make a significant contribution to revenue and further diversify the gateway's business portfolio.

Also, the NWSA's Tacoma Harbor is designated as a strategic military port for transporting military cargoes.

Auto customers of the NWSA include Kia, Mazda, and Mitsubishi. Automobile imports are processed on property leased by Auto Warehousing Company (AWC), the largest auto processor on the U.S. West Coast. The Port of Tacoma has a separate auto facility leased by Wallenius Wilhelmsen Solutions, which processes Hyundai, Nissan and Volvo imports.

Exports of petroleum products and molasses add to the diversified cargo mix.

The NWSA offers competitive rates and full service to all customers. To help facilitate and grow the cargo business, the NWSA has trade and business development representation in China, Vietnam, and Korea.

Marketing and Business Services Team: This team supports the Business Development team and is responsible for market research and business intelligence and analysis, marketing, and advertising activities. It also supports the goals of the Commercial Group with cargo volume tracking and volume forecasting services.

Real Estate Team: Non-terminal industrial and commercial properties and facilities in the Seattle and Tacoma harbor are included in the assets assigned to the NWSA. These properties are a significant source of revenue for the NWSA. Real estate personnel are responsible for leasing, divesting and managing the Port's real estate portfolio.

Located in an industrial zone with room for growth, tenants offer a broad range of services for the NWSA's international and domestic customers including warehousing and distribution, manufacturing and marine services.

Operations Group

The Operations Group, responsible for the daily operations of NWSA facilities at both ports, consists of two departments.

The Operations Service Center Department coordinates vessel arrivals and departures, and with the associated stevedores monitors cargo flow in the container terminals. The major focus is to ensure the

proper processing of all vessels and freight shipments moving through the Puget Sound gateway.

The Port Operations Department manages labor at the North Intermodal Yard and breakbulk terminal, both in Tacoma. This department is also responsible for providing customer service to non-container customers. The NIM is the only port-operated intermodal yard on the U.S. West Coast with dedicated rail services personnel. Both harbors offer competitive rail service via BNSF Railway and the UP Railroad and are a major gateway for handling discretionary cargo destined for the Midwest.

Environmental/Planning Group

The Environmental and Planning Group is responsible for long range strategic planning, including land use, transportation, facility and grant program management.

In addition, the team manages water quality initiatives that support best in class advanced treatment deployment, development of best management practices and other initiatives that deliver above and beyond regulatory compliance.

This team also is responsible for managing the Northwest Port's Clean Air Strategy, which is focused on reducing both diesel and greenhouse gas emissions. Priority emission-reduction initiatives focus on ocean-going vessels, cargo handling equipment, and drayage trucks that serve our gateway.

Support Services

Support services such as maintenance, security, government affairs, communications, engineering, environmental programs, planning, and financial services are provided by NWSA staff and / or service agreements between the alliance and the two ports. Costs for these services are charged by the ports to the alliance based on agreed upon methodologies including direct charge and purchased services.

Commitment to Fiscal Stewardship

The NWSA is intended to support the credit profiles of both ports, and its financial framework is intended to preserve both ports' commitment to financial strength and fiscal stewardship.

Both ports have a solid record of accomplishment of prudent financial management and strong financial results, including solid debt service coverage and ample liquidity balances.

The ports are committed to ensuring that existing bond pledges and covenants will not be negatively affected. Outstanding bonds will remain obligations of each individual port.

To maintain the rights of each port's existing bondholders, the charter prohibits the NWSA from issuing debt.

Figure I-1.... Northwest Seaport Alliance Facilities – Seattle Harbor



Figure I-2.... Northwest Seaport Alliance Facilities – Tacoma Harbor

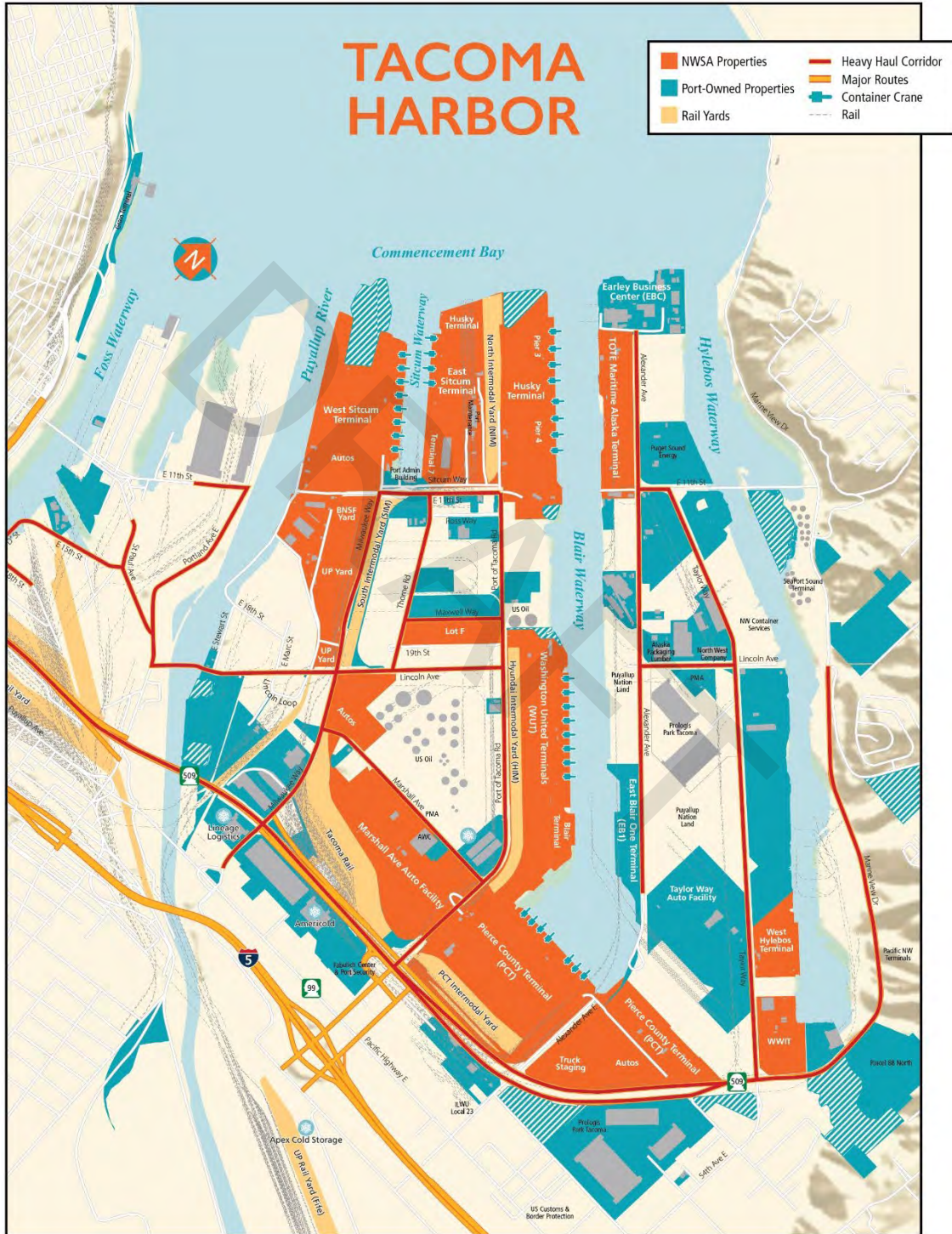
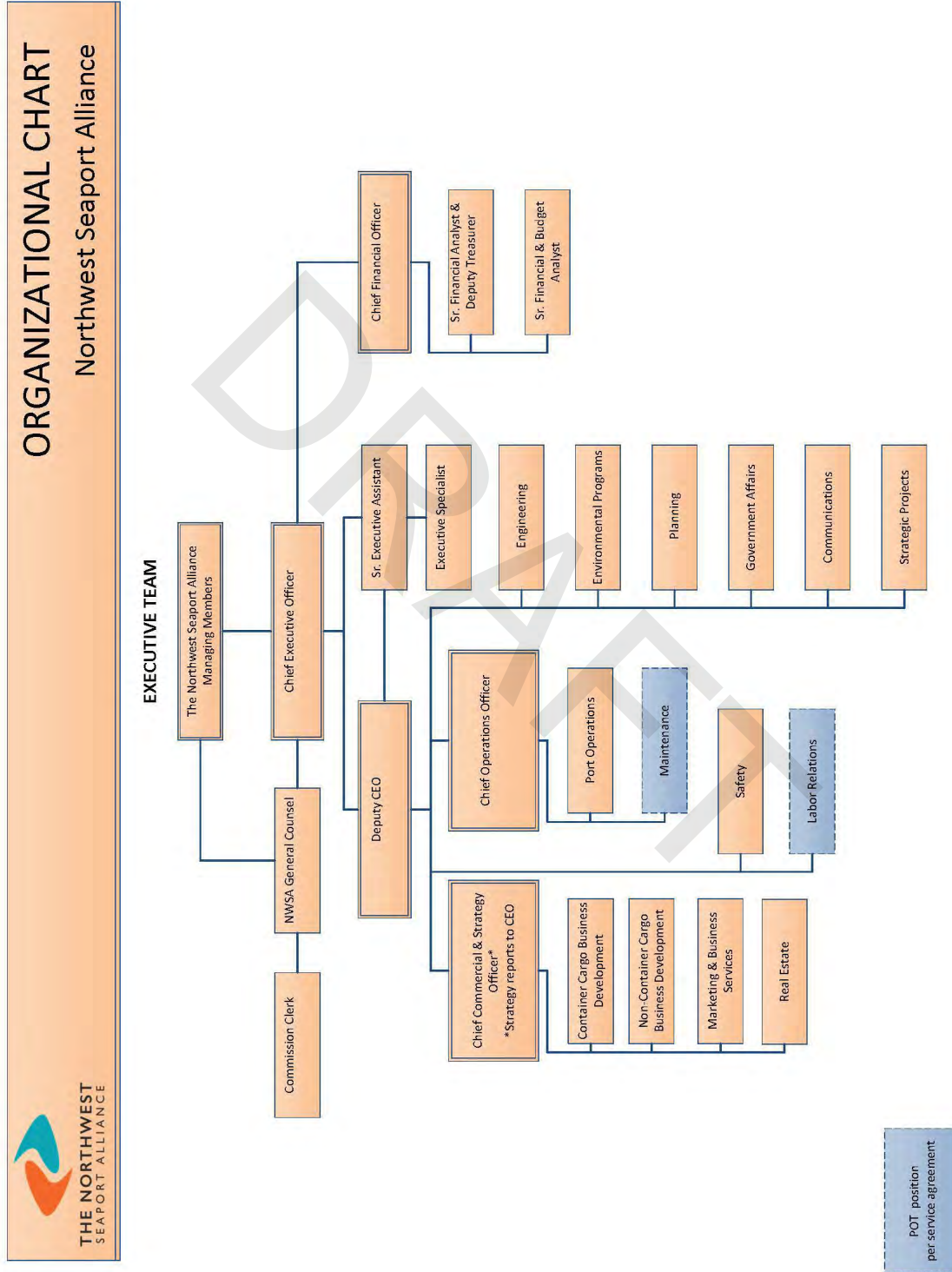


Figure I-3.... The Northwest Seaport Alliance Organizational Chart



II Budget Message

NWSA Mission

The NWSA's mission is to create sustainable economic opportunities for our region by increasing cargo volumes and supporting a healthy supply chain ecosystem.:

NWSA Vision

The NWSA's vision is to be the gateway of choice through best-in-class customer experience, environmental leadership, and competitive services.:

NWSA Values

1. **Service Excellence and Partnership**
We value partnership and prioritize service excellence to deliver best-in-class service.
2. **Boldness, Innovation and Adaptability**
We act with boldness and innovation, challenging ourselves to be adaptable and cultivate solutions that meet the demands of the dynamic marketplace.
3. **Environmental Leadership**
We are responsible stewards of our shared natural environment, prioritizing facilities and operations that support the health of our air, water, and land resources.
4. **Fiscal Responsibility**
We conduct all business and decision-making with integrity and transparency, providing long term financial stewardship to achieve our environmental and economic development objectives.
5. **Asset Management**
As responsible stewards, we manage and develop facilities to protect public assets and create economic opportunities across our region.
6. **Health & Safety**
We commit to the health and safety of our team, taking accountability for our actions and treating people with honesty and respect.
7. **Diversity, Equity, and Inclusion**

We uphold the principles of shared accountability, diversity, equity and inclusion throughout our organization, creating a culture that helps ensure a positive, safe, welcoming, respectful, and inclusive workplace that reflects the demographics of the region and equitably serves our entire community.

NWSA Goals

The NWSA has identified strategic initiatives to maintain and grow the maritime business in Puget Sound. The high-level strategic initiatives, and supporting priorities are listed below:

1. **Commercial Initiatives**
 - a. Complete modernization of T5 backlands in the Seattle Harbor to meet future container industry demand, increase throughput, and position the gateway strategically.
 - b. Maximize gateway cargo potential and diversification and enhance supply chain networks. Facilitate terminal densification to increase cargo throughput.
 - c. Evaluate incentive programs to increase market share.
 - d. Engage in US Coast Guard expansion decision to maximize industrial lands in the Seattle harbor.
2. **Gateway Operations**
 - a. Enhance cargo and transportation (waterway, roadway, and rail) efficiencies within the gateway to drive improved service delivery.
 - b. Enhance and improve service delivery key performance indicators (KPIs) with a move toward real-time reporting and analytics.
 - c. Support port-area infrastructure investments that support the efficient flow of cargo to and from NWSA facilities.
 - d. Work with third party vendors and key stakeholders to enhance data visibility in a sustainable and fiscally responsible manner.
 - e. Explore NWSA operations of off-dock terminal.
3. **Financial Performance**
 - a. Effectively manage operating activities to deliver expected financial results.
 - b. Maximize use of grants and other external funding.

4. **Environmental Stewardship**
 - a. Continue to implement the NW Ports Clean Air Strategy and the associated 5-year Clean Air Implementation Plan
 - b. Continue and strengthen efforts to work with marine terminal operators, drayage service providers, railyard operators, and other supply chain partners to reduce air and climate emissions from vessels, vehicles, equipment, and seaport operations.
 - c. Continue to engage in international efforts to advance cleaner shipping, including the creation of “green corridors” with major trade partners.
 - d. Continued focus on best-in-class water quality treatment and best management practices at NWSA and tenant run facilities. Provide input on all state and federal Industrial stormwater regulations that support sound science, clean water and cargo operations.

5. **Facilities Development**

- a. Effectively manage completion of all development projects on-time and within budget.
- b. Support emergent business opportunities requiring facilities improvements.
- c. Advance redevelopment strategies for existing terminals, including rehabilitation and shore power.

6. **Government Affairs**

- a. Continue efforts to secure Harbor Maintenance Tax funding.
- b. Contribute to improvements in Federal permitting to support NWSA objectives.

7. **Planning and Logistics**

- a. Engage in regional transportation and land use planning in support of port and alliance functions and operations.
- b. Leverage grant opportunities to fund strategic cargo related facilities and infrastructure.
- c. Provide resilience and hazard planning services for critical infrastructure.
- d. Support harbor deepening and maintenance dredging in both harbors

- e. Support the development and integration of a strategic gateway business plan that aims for growth opportunities in our gateway.

8. **Organizational Performance**

- a. Engage and participate in Diversity, Equity and Inclusion (DEI) training.
- b. Continue development and implementation of human resource applications that enhance the business and provide a competitive advantage.

Budget Environment

The NWSA operates principally in two industries: terminal services and property rentals. Terminal services involve marine-oriented services including dockage, cargo-handling, storage and related activities. Property rentals include facilities and land used for container terminals, industrial activities, and storage.

As described in further detail in Section III, increased competition from Canadian ports as well as ports located on the U.S. West, Gulf and East coasts, has negatively impacted container market share for the Puget Sound gateway. The expansion of the Panama Canal and access via the all-water route to the Gulf and East coasts offers an alternative for US-bound shipments. While the pandemic driven market demand resulted in high utilization of our terminals, NWSA staff continue to work on future projects to retain and grow our market share.

Revenues

The NWSA has both fixed and variable revenue streams. The majority of NWSA’s revenue comes from fixed revenue streams, primarily from leased properties. The leased properties are mainly container terminals, buildings, and industrial and commercial land. The NWSA’s container terminal leases with shipping carriers can last 20 years or longer depending on carrier requirements. Building and land leases with more than one-year remaining are considered fixed. Minimum crane hours and minimum intermodal lift requirements specified in certain terminal leases are considered fixed.

The balance of NWSA revenue comes from variable

services provided to customers. These services include intermodal lifts for railcar loading above specified minimums and per unit charges for automobile unloading and breakbulk cargo. Variable revenues also include equipment rental hourly for crane hours above specified minimums and on straddle carriers used by terminal leaseholders, and month-to-month building or land leases.

GASB 87: GASB 87 move a significant amount of revenue from Operating Revenue to non-operating revenue. For clarity and to avoid confusion, the impact of GASB 87 will not be incorporated into this budget document.

2025 Budget

The NWSA has developed an overall operating budget with projected revenue of \$268.5 million. Operating income is budgeted to be \$96.1 million, resulting in an operating margin of 35.8 percent. The NWSA net distributable revenue of \$116.7 million, which includes grant and interest. Distributable Cash of \$145.6 million will be shared evenly between the two home ports. Each port's portion of net income will be included as revenue in their financial reports. The amount of cash earned does not include the Harbor Maintenance Tax provided to the two homeports which are expected to exceed a total between the two homeports of \$53 million in 2025

NWSA financial performance reflects the investments it is making to successfully complete our customer commitments while meeting the NWSA financial goals. The operating and capital budgets are based on the cargo forecast in Section III.

Capital Investment Plan Highlights

NWSA projects for the next five years reflect a focus on strategic container terminal development in both harbors. With this focus the NWSA has reviewed potential assets for revenue generation to ensure that financial and economic growth goals are met.

Major 2025 – 2029 capital projects include:

Seattle Harbor

- Completion of improvements at Terminal 5
- Design of Terminal 18 shore power installation and wharf rehabilitation

Tacoma Harbor

- Husky terminal expansion

- Rebuild of Wapato Creek culvert
- Modernize terminal 7D
- Maintenance dredging at various terminals
- Design shore power at PCT and WUT
- Ongoing maintenance of facilities

Both Harbors

- Clean air and stormwater investments
- Asset preservation projects such as paving and fender repairs
- Maintenance dredging at multiple terminals in both harbors

The NWSA's 2025 Capital Investment Plan of \$169.8 million represents the first year of the NWSA's 2025 - 2029 CIP – a package totaling \$481.3 million in new projects and investments. See Section V for additional details on the Capital Investment Plan.

Financial Measures

Financial measures for the NWSA have been developed to monitor financial performance. The two measures are (1) Net Distributable Cash and (2) Return on Revenue (operating income divided by revenue). These measures help ensure that the NWSA is providing the necessary financial performance required by each home port.

Legislative Impact

Transportation Funding

The NWSA relies on an efficient and well-maintained road and rail network to ensure the smooth movement of cargo to and from its facilities.

The Washington Legislature made a significant commitment to infrastructure in 2015, passing the 16-year, \$16 billion statewide *Connecting Washington* transportation package. An estimated \$3.3 billion of those funds will be invested in projects benefiting NWSA terminals. In 2022, the Legislature passed the *Move Ahead WA* transportation package, which contained an additional \$468 million to address financial shortfalls in some of the port-related projects contained in *Connecting Washington*.

In 2021 Congress passed the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion infrastructure funding bill. The IIJA includes over \$5 billion over five years exclusively for port projects and \$20.5 billion for three

other major discretionary grant programs to help fund multimodal infrastructure.

The IIJA funds will assist the NWSA in making strategic investments in mission-critical freight infrastructure, such as marine terminals, roads and rail. In 2020 the NWSA received our first award under the Port Infrastructure Development Program (PIDP), a \$10.7 million grant for the final phase of the T5 modernization program. In 2021, Port of Tacoma received \$15.7 million for the Off-Dock Container Support Facility, which will support cargo movement through NWSA terminals. NWSA received a \$17 million PIDP grant in 2022 for gate improvements and a yard expansion at Terminal 5. In 2023, The NWSA received a \$54.2 PIDP grant for the Husky Terminal Expansion project. In 2024 the NWSA submitted a PIDP application for the Pierce County Terminal Efficiency project.

In addition, in 2022 Congress passed the Inflation Reduction Act. The bill includes \$3 billion over five years to establish a new grant program for zero-emissions port projects that will support the NWSA's clean air programs. NWSA is aggressively pursuing this funding.

NWSA has a substantial planning process to identify additional candidate projects for these new funding opportunities.

Shore Power Infrastructure Funding

Through the 2020 update to the Northwest Ports Clean Air Strategy, the NWSA established an aspirational goal to install shore power at its major international container terminals by 2030. In support of this goal, shore power has previously been installed at TOTE Terminal and Terminal 5. The NWSA has also begun construction on a shore power system at Husky Terminal, with construction completion estimated for mid-2024, and is designing a shore power system for Terminal 18, Pierce County Terminal, and Washington United Terminal.

The NWSA has leveraged a number of sources of external funding to support the shore power installations that are underway. The NWSA has accepted a \$1 million DERA grant from the EPA, a \$1 million grant from the TransAlta Coal Transition grant fund, and a \$1.1 million state Volkswagen settlement grant from the Washington State Department of Ecology to support the Husky shore power project. Additionally, the NWSA has received a \$2 million

grant from the Washington State Department of Ecology to support the design and construction of a shore power system at Terminal 18. The alliance has secured two allocations of \$14 million each for a total of \$28 million from the State transportation budget for construction of the project. One of these allocations will be awarded only if the Climate Commitment Act is not repealed by the voters in November 2024.

The NWSA continues to plan for future shore power installations, ensure that terminal designs and redevelopments include shore power, and pursue additional opportunities to leverage external funding to support shore power installations. Planning work associated with future shore power projects will allow the NWSA to accurately account for them in the Capital Investment Program and position the organization well to apply for external funding.

Navigation Improvement Projects

The largest container vessels calling West Coast ports today have over two times the capacity of those that called just five years ago. While channels serving Seattle and Tacoma are mostly -51 feet or deeper, some shallower spots present navigational and safety challenges for these larger vessels. To remain a competitive trade gateway, the NWSA is deepening berth areas and working with the ports of Seattle and Tacoma to deepen the navigation channels that serve its facilities in both harbors. These projects will enable the NWSA to handle fully laden ships larger than 18,000 TEUs.

In 2018, the U.S. Army Corps of Engineers (USACE) completed a chief's report recommending deepening in specific areas adjacent to the NWSA's container terminals in Seattle Harbor. Congress subsequently authorized the project in 2018 and the full amount required to deepen the West Waterway portion of the project has been appropriated. Design commenced in earnest when the Port of Seattle signed the design agreement with USACE in Fall 2023.

Additionally, after completion of a feasibility study in 2022, Congress authorized a project to deepen the Blair Waterway, which serves NWSA's three international container terminals in Tacoma. Congress funded the first year of design in FY23. The design agreement between the Port of Tacoma and USACE was signed in December of 2023 and design is underway.

The ports of Seattle and Tacoma have included funding

needed to complete the design phase for both projects in 2026. When the deepening projects move to construction, it also will require a local financial match of federal dollars, which will come from the Port of Seattle and Port of Tacoma.

Harbor Maintenance Tax (HMT)

The HMT is assessed on ocean-going international imports that land at U.S. ports to pay for maintenance dredging of waterways through the Harbor Maintenance Trust Fund. It is not, however, assessed on importers who route cargo through non-U.S. ports and afterwards move the cargo into U.S. markets by land. Moreover, the NWSA has received little, if any, benefit from the fund because its facilities are located on natural deep-water harbors that do not require significant maintenance dredging. Since 1986 the ports of Seattle and Tacoma have sought reform of the HMT to provide a greater return to donor ports, such as the NWSA, and to ensure U.S. tax code does not disadvantage U.S. ports and maritime cargo.

A longstanding goal was achieved in December 2020 when Congress passed comprehensive HMT reform legislation as part of the Water Resources Development Act (WRDA) of 2020. The bill sets aside 8% of annual HMT collections for donor ports like Seattle and Tacoma. This donor port provision was finally implemented in the USACE FY24 Work Plan. The ports of Seattle and Tacoma received \$25 million and \$28.9 million respectively. Annual amounts will vary based on the amount of HMT received and the amount collected over a three-year time period.

In 2024 the Port of Seattle received \$25 million, and the Port of Tacoma received \$28.9 million from the federal government through the existing WRDA Section 2106 HMT donor port program. These funds will be used by the NWSA or home ports to fund eligible infrastructure projects to enhance the competitiveness of our cargo operations.

Conclusion

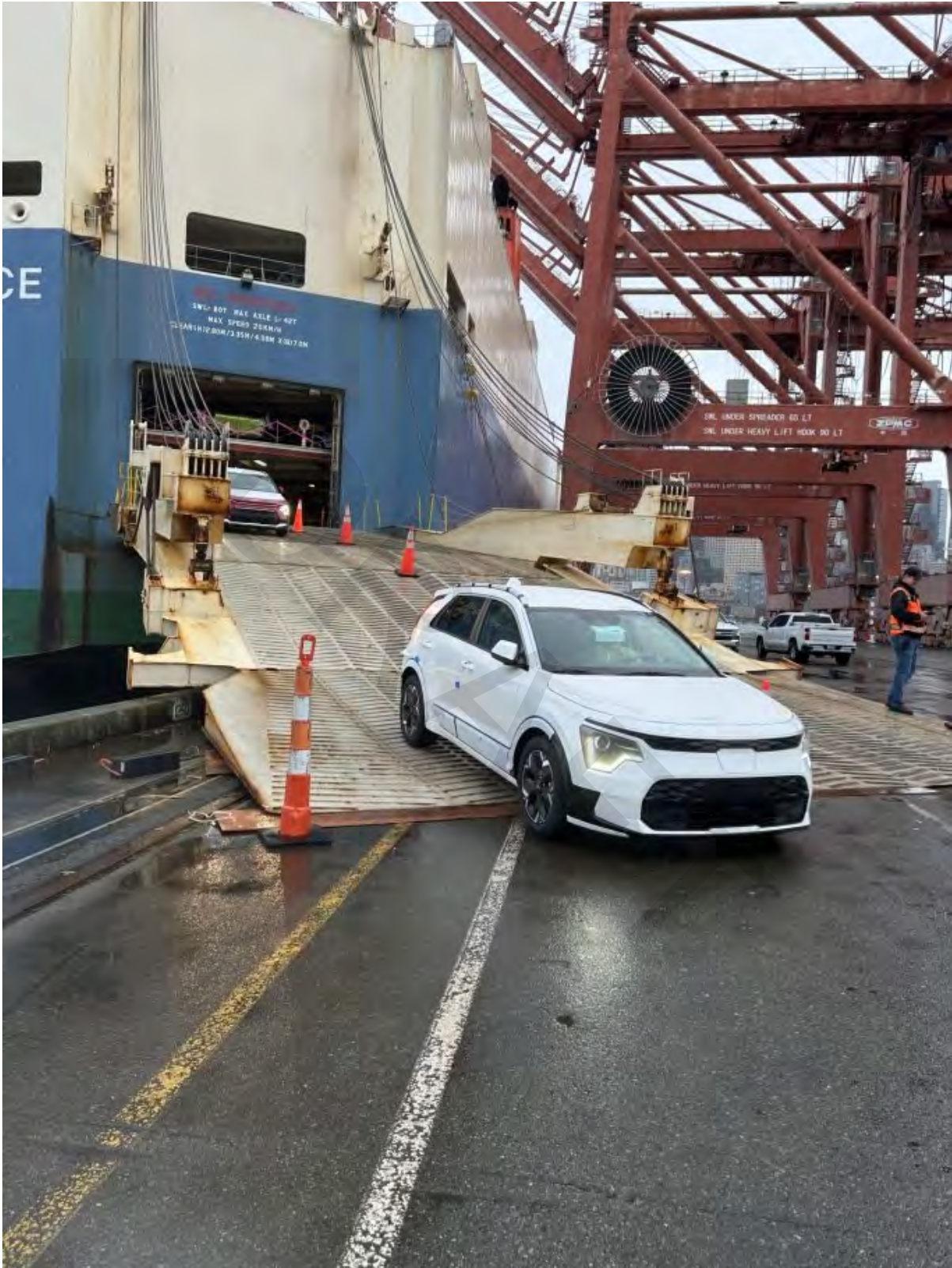
The realities of the drastic changes in the global economy have led all ports to examine business and operational strategies.

The NWSA is focused on maximizing the use of existing facilities, working with existing customers to keep them competitive and successful, attracting

new business and making strategic infrastructure investments such as the construction of world class terminals in both harbors that position the gateway for long-term growth. Through coordinated investments in maritime assets, the NWSA will help ensure the growth in the flow of cargo throughout the Puget Sound.

The NWSA is placing increased emphasis on the importance of developing and strengthening relationships with labor partners, industry stakeholders, customers, local, state and tribal governments and near-port communities to collaboratively achieve its future vision. This vision includes the road and rail infrastructure that ties the whole supply chain system together.

Despite the challenging realities of today's global economy, NWSA management is confident that the plans outlined in this budget will help the gateway remain financially strong, competitive, and successful.



Auto vessel discharge at Terminal 46.

III Business Outlook

U.S. Economy

According to the Department of Commerce Bureau of Economic Analysis (BEA), real gross domestic product (GDP), defined as the value of the production of goods, increased 3% in the second quarter of 2024 and 1.4% in the first quarter of 2024. BEA said, *"The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment."*

TTX, a railcar and freight management company, reports GDP as 2.8% in the second quarter and 1.4% in the first quarter. TTX says, *"Second quarter GDP growth was broad-based, benefitting from stronger-than-expected consumer spending and business investment, along with better inventory growth (compared to Q1) and consistent government spending."*

According to TTX, headline inflation rose to 2.6% in Q2 2024, while core inflation rate (excluding food and energy) fell to 2.7%, the lowest level since Q1 2021 (1.9%). The service sector has been the recent driver of overall inflation. Consumers continue to face price hikes in housing, transportation, and medical services, which are all necessities. The goods sector, excluding food and energy, saw inflation of -1.8% in June, which means prices declined.

Consumer spending accounts for roughly 68% of the U.S. economy. So far, the U.S. has managed to avoid a post-COVID recession, but consumers are struggling with lingering inflation as well as higher interest rates. Wage growth has also slowed and the job market has tightened. Financial conditions have also tightened; , savings rates have declined, and there are more credit card delinquencies. Despite these challenges, consumer spending has remained strong

The Bureau of Labor Statistics puts the U.S. unemployment rate at 4.2% in August, with 142,000 jobs added for the month, with job gains in construction and healthcare.

According to the National Association of Realtors (NAR), existing home sales grew 1.3% in July 2024, ending four straight months of decline. Lawrence

Yun, NAR's chief economist, said, *"Despite the modest gain, home sales are still sluggish. But consumers are definitely seeing more choices, and affordability is improving due to lower interest rates."*

The Conference Board reported August 2024 Consumer Confidence Index at 103.3, up from 101.9 in July. The Conference Board's Chief Economist Dana Peterson says, *"Consumers continued to express mixed feelings in August. Compared to July, they were more positive about business conditions, both current and future, but also more concerned about the labor market. Consumers' assessments of the current labor situation, while still positive, continued to weaken, and assessments of the labor market going forward were more pessimistic. This likely reflects the recent increase in unemployment. Consumers were also a bit less positive about future income."*

Shipping Industry

Uncertainty around the U.S. East/Gulf Coast labor contract negotiations, which expires September 30, has caused shippers to ship ahead and divert cargo to the west coast. In addition, rail labor unrest in Canada has resulted in diverted cargo through our gateway.

The U.S.-China trade war and the pandemic, which caused importers to accelerate efforts to shift sourcing and production to countries in SE Asia or use a "China + 1" strategy to diversify the risk associated with being solely reliant on China, continues to be felt. There has been a corresponding increase in manufactured imports from Vietnam and other SE Asian economies. In many cases, origin and transshipment ports in SE Asia are geographically closer (and transits shorter) to the U.S. East Coast, which may result in a partial shift of Asian import volume away from west coast ports. With that said, it will take some time before these countries can compete with the infrastructure and skilled labor China offers. Russian's invasion of the Ukraine and the conflict in the Middle East continue to inject uncertainty and risk to supply chains. Climate-related weather conditions in the Panama Canal (drought) and North America and have impacted transportation by ocean and rail.

Alliances have concentrated capacity in fewer hands, allowing ocean carriers to exercise greater control over capacity on major trade lanes through coordinated changes to vessel sailings, schedules, and transit times. In 2024, the composition of carriers that make up the various shipping alliances:

- Ocean Alliance – CMA CGM, COSCO Shipping, Evergreen, OOCL
- THE Alliance – Hapag Lloyd, Yang Ming, Ocean Network Express (ONE), HMM

Major Independent Carriers – Maersk, MSC, Swire (Westwood), Swire/UWL, Hamburg Sud, and SM Line.

In 2025, there will be a shakeup in the alliances.

- Maersk and Hapag-Lloyd will form the Gemini Cooperation
- The remaining members (Yang Ming, ONE, and HMM) of THE Alliance will form the Premier Alliance
- Ocean Alliance will remain as is
- MSC will operate independently and has acquired and chartered additional vessels to increase its container capacity to participate in all trade lanes. Swire (Westwood), Swire/UWL, and SM Line will also operate independently.

Northwest Seaport Alliance Activity

Containers:

Through August 2024, the NWSA has handled 2.1 million TEUs (twenty-foot equivalent units), a 14.1% increase year-to-date. Year-over-year comparisons reflect diverted cargo from the East Coast as shippers ship ahead of the contract expiration date and divert from Canada due to fires and to avoid rail-related labor disruptions

NWSA container volume is projected to increase in 2024 and 2025 in part a result of Swire Shipping/UWL's planned transition of their biweekly Sun Chief service to weekly. The impact of volumes from the Gemini Cooperation and newly formed Premier Alliance are unknown. Continued inflation and high interest rates, which reduce consumer spending, could negatively impact the forecast. Competition from ports in British Columbia, Canada, and other North American gateways or a protracted decline in global trade due to increased trade friction or other geopolitical events could limit container volume. In addition, near sourcing from Mexico, which faces issues, could also have an impact.

Breakbulk:

Breakbulk cargo is comprised of commodities too large or heavy for containerized shipment. In the case of The Northwest Seaport Alliance, this consists largely of building materials, heavy machinery, boats, and agricultural and construction equipment. Breakbulk tonnage (both harbors and includes military) is estimated to reach approximately 475K metric tons in 2024, followed by growth in 2025.

Autos:

NWSA/POT auto units for 2024 are forecasted to reach 356K units. 2025 volumes are expected to grow to 366K units.

Logs:

The Log business was suspended due to the tariffs and has not been included in the forecast or budget.

Molasses & Petroleum:

Petroleum volumes are forecasted to be 824K metric tons in 2024 with conservative growth in subsequent years. Molasses volumes are forecasted to be 31K metric tons in 2024 with slight growth thereafter.

Table III-1..... Cargo Activity Five-Year Forecast

THE NORTHWEST SEAPORT ALLIANCE CARGO ACTIVITY 5-YEAR FORECAST											
	2019	2020	2021	2022	2023	Forecast					2029
						2024	2025	2026	2027	2028	
Non-Container Forecast (Thousands of Metric Tons)											
Breakbulk	246	292	366	478	453	475	486	494	501	509	517
Autos	306	245	262	288	567	567	549	560	571	583	594
Logs	76	0	0	0	0	0	0	0	0	0	0
Petroleum	636	677	524	709	785	824	824	825	826	827	827
Molasses	47	42	33	32	39	31	32	32	32	32	32
Total Tonnage	1,311	1,256	1,186	1,507	1,844	1,897	1,891	1,910	1,930	1,950	1,971
Year over Year change	0.4%	-4.2%	-5.6%	27.1%	22.4%	2.9%	-0.3%	1.0%	1.0%	1.0%	1.1%
Container Forecast (Thousands of TEUs)											
International	3,058	2,636	2,992	2,650	2,237	2,472	2,560	2,648	2,715	2,774	2,830
Domestic	717	585	744	734	738	750	759	768	777	786	795
Total TEUs	3,775	3,320	3,736	3,384	2,974	3,222	3,319	3,416	3,492	3,560	3,625
Year over Year change	-0.6%	-12.1%	12.5%	-9.4%	-12.1%	8.3%	3.0%	2.9%	2.2%	2.0%	1.8%
Intermodal Yard Lifts*											
Hyundai Intermodal Yard	124,778	85,401	125,228	101,828	140,865	154,279	125,000	127,500	130,050	132,651	135,304
North Intermodal Yard	178,205	147,269	159,023	91,583	110,369	131,273	125,000	127,500	130,050	132,651	135,304
South Intermodal Yard	86,271	89,529	102,168	121,561	120,885	110,109	112,311	114,557	116,849	119,186	121,569
Pierce County Intermodal Yard	71,310	45,684	27,856	33,926	40,056	46,952	63,000	64,260	65,545	66,856	68,193
Total Intermodal Lifts	460,564	367,883	414,275	348,898	412,175	442,613	425,311	433,817	442,494	451,344	460,370
Year over Year change	1.7%	-20.1%	12.6%	-15.8%	18.1%	7.4%	-3.9%	2.0%	2.0%	2.0%	2.0%
Log Board Feet	15,192,000	0	0	0	0	0	0	0	0	0	0
Year over Year change	-34.4%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Vehicle Units (NWSA+POT)	191,822	156,205	162,484	172,979	338,917	355,542	365,978	373,298	380,764	388,379	396,146
Year over Year change	31.3%	-18.6%	4.0%	6.5%	95.9%	4.9%	2.9%	2.0%	2.0%	2.0%	2.0%

* Intermodal Lifts Reported for South Harbor only



John Deere tractors imported and resting on East Blair 1 Terminal.

IV Operating Budget

Overview

The NWSA operating budget revenue is based on cargo volume forecasts (see Table III-1), existing terminal and property leases and contractual and tariff-generated revenue. Operating budget expenses were projected based on historical information, as well as levels of expenditure required to support the increases in revenue.

From this information, NWSA staff prepared a realistic budget that supports both the strategic priorities and financial goals of the NWSA.

Departmental budgets estimate expenses that will be generated in support of the NWSA and its businesses. Expenses fall into one of five categories: Administration, Operations, Security, Environmental or Maintenance. Administration expenses are incurred in the day-to-day management of the NWSA. Operations and Maintenance expenses support the day-to-day management of business activities. Security support is provided by each home port. Environmental expenses are a subset of overall environmental spending, and include clean air and clean water activities, and close coordination with each home port on compliance and monitoring activities.

Business budgets are projections of revenues earned and expenses incurred in the operation of a particular business line. In addition, the NWSA expects to receive funds from other sources including user fees, and investment earnings.

Although capital project spending is planned within the capital budget, capital projects will impact operating budgets for future years through new sources of revenues and increased operating expenses and depreciation costs.

Nature of Business

Washington law authorizes ports to provide and charge rents, tariffs and other fees for docks, wharves, and similar harbor facilities, including associated storage and traffic-handling facilities for waterborne commerce. Ports also may provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail and motor vehicles. Finally, ports may acquire and improve lands for sale or lease for industrial or commercial purposes and may create industrial development

districts.

The NWSA is a joint venture that operates with the two ports as enterprise funds, allowing the NWSA and the ports to operate in much the same manner as a private business. Operating revenues are comprised of charges to its customers to cover costs associated with the service provided and to support investment in future projects.

Balanced Budget

Based on the Government Finance Officers Association (GFOA) Recommended Budget Practices, a balanced budget "is a basic budgetary constraint intended to ensure that a government does not spend beyond its means."

The NWSA defines "balanced budget" in the following way: Total revenues are sufficient to cover operating expenses for the budget year and to offset the cost of capital investments (depreciation) and anticipated debt costs for any planned future capital investments.

The NWSA uses the full-accrual basis for budgeting, consistent with the basis for accounting. This method recognized the financial effect of events that impact the Port during the accounting period, regardless of whether cash was received or spent.

Budget Process

The NWSA budget is a guideline used by management to direct strategic and tactical operations. Typically, more projects and spending are budgeted than may actually occur. This conservative approach ensures that the NWSA's financial goals are still met if business conditions support the full budgeted spending.

The NWSA operates on a calendar year budget cycle that must integrate the budget schedule needs of both home ports. The operating budget and the capital budget are the NWSA's plan for meeting the current needs of its customers, and for implementation of the strategic goals.

The annual budget development begins in June and continues through November. The process begins with the development of strategic objectives and initiatives, which are reviewed by the Managing Members and the Chief Executive Officer. The Managing Members and Chief Executive Officer communicate any strategy changes or policy concerns and gather additional input.

Cargo forecasts, available at the beginning of the budget process, are used to develop the variable portion of the operating budget. During a study session, the Managing Members are presented with a draft budget.

In November, a public hearing is held by each home port to allow for public comment, and to adopt the statutory budget and approve the property tax levy for the home ports. The NWSA's operating income is split evenly between the ports and is shown as revenue to the home ports. After the home port Commission approves and adopts its statutory budget, it is submitted, with the related home port resolutions, to the respective County Councils and Assessor Treasurer offices.

Major Assumptions

Major drivers of the operating budget are a result of economic and industry trends represented in the cargo forecast.

Revenue

- Existing leases continue per existing lease terms and contracts
- Cargo volumes drive equipment and intermodal revenues and expenses
- Auto and breakbulk imports continue to provide revenue diversity
- Tariff rates are projected to increase between 3% and 5%
- Property lease rental rates will increase as specified in contracts

Direct Expenses

- The NWSA has a direct headcount of 69 positions. Salaries are expected to increase by between 4% and 6%
- Major operating expenses include construction of non-NWSA owned infrastructure needed for the development of Terminal 5, and ongoing maintenance of terminal paving, bulkheads and fender systems
- Depreciation for licensed assets at the time of the formation of the NWSA will remain on the books of the home ports. Depreciation of any new investments that are jointly funded will be charged against the NWSA

Home port services provided

Each home port is providing services to the alliance, and some NWSA personnel are providing services back to the home ports. These services are provided either by direct charge or purchased services through Inter-local Agreements.

Table IV-4 shows the approximate value of Operating, Maintenance, Environmental, Security and Administrative services purchased by the NWSA from each of the home ports and the services purchased by the Port of Tacoma from the NWSA. This table does not include the value of services provided for capitalized and expensed projects.

Estimating Revenues and Expenses

The NWSA uses several different methods of projecting revenues, depending upon the nature and materiality of the revenue item and the projection period. Specific revenue projection techniques include:

- **Historical Data:** Future revenues are based on historical trends with the assumption that they will continue in the future. When using historical data as a means for projecting revenues, the NWSA analyzes as many as 10 years of data to estimate a rate of growth
- **Business Operations:** Terminal lease/rental agreements, grant agreements, and service contracts provide information for this projection method. These projections may be adjusted to reflect the probable impacts of anticipated changes in the economy, legislation and inflation
- **Judgment Estimates:** This method relies on a person knowledgeable in the field, often a department director, who prepares a revenue projection based on awareness of past and present conditions including fee changes, development plans, marketing campaigns, usage activity, frequency, volume, weight and similar determinations
- **Current Data:** This method predicts future revenue based on actual or annualized current year revenues and often is used when historical data and trends are not available, or if used, would result in an inaccurate revenue projection
- **Volume:** The NWSA uses the five-year cargo forecast to project volume related revenues

Financial Practices

The NWSA manages its operations to maximize its financial capacity - to provide adequate cash flow to the

home ports to support debt service coverage ratios.

Financial Tools

- **Cargo Forecasts:** The NWSA maintains a cargo estimate for each of the next five years. (See Table III-1)
- **Five-Year Financial Forecast:** A portion of the operating budget is driven by volumes from the cargo forecast while the majority of the revenue comes from major lease contracts. Planned revenue-generating capital projects are aligned with new revenues and expenses in the five-year operating forecast. The operating budget is monitored throughout the year, noting any variances that may require corrective action. The Managing Members, Chief Executive Officer and Executive Team review these semi-annually
- **Five-Year Capital Investment Plan:** This plan ties directly to the strategy developed during the budget process. Updated semi-annually, it identifies all proposed projects. Some projects are capitalized and impact future year forecasts through depreciation, while others are expensed in the current year
- **Home Port Plan of Finance:** The financial output of the NWSA will be shared evenly between the home ports and is an input into each home port's five-year plan that identifies each port's ability to fund their business objectives
- **Financial Analysis of Investments:** The NWSA reviews significant capital investments and their related assumptions prior to acceptance into the planned capital budget. Revenue-generating projects are expected to earn a return on investment that meets or exceeds the standards
- **Financial Reporting:** The NWSA creates a variety of reports available electronically or in hard copy

For additional information on accounting policies, see each home port's budget and annual financial reports.

Table IV-1...Statement of Revenue, Expenses and Distributable Income by Business*

<i>(\$ millions)</i>	2023 Actual	2024 Budget	2024 Forecast	2025 Budget
Operating Revenues				
Container	186.7	204.2	208.3	213.0
Non Container	34.8	31.0	38.7	36.8
Real Estate	16.9	17.7	18.1	18.7
Other	0.0	0.0	0.0	0.0
Total Operating Revenues	238.4	252.8	265.1	268.5
Direct and Maintenance Expenses				
Container	41.8	51.5	42.2	49.1
Non Container	20.8	20.9	24.4	25.2
Real Estate	2.0	1.3	1.1	1.7
Other	16.1	20.2	29.4	31.8
Total Direct & Maintenance Expenses	80.8	93.8	97.1	107.8
Administration	18.9	24.5	21.9	26.3
Security	4.6	3.8	3.8	5.3
Environmental	2.6	2.1	2.5	4.1
Total Operating Expense before Depreciation	107.0	124.2	125.4	143.5
<i>Operating Income before depreciation</i>	<i>131.5</i>	<i>128.7</i>	<i>139.7</i>	<i>125.0</i>
Depreciation & Amortization	21.0	29.4	24.8	28.9
Total Operating Expense	128.0	153.6	150.2	172.4
Income from Operations	\$110.5	\$99.3	\$114.9	\$96.1
<i>Return on Revenue</i>	<i>46.3%</i>	<i>39.3%</i>	<i>43.3%</i>	<i>35.8%</i>
Non Operating Income (Expense)	4.9	15.0	0.9	20.6
Distributable Income before Special Item	115.4	114.3	115.7	116.7
Special Item				
Distributable Income	\$115.4	\$114.3	\$115.7	\$116.7
Distributable Cash	\$136.4	\$143.7	\$140.6	\$145.6

* Amounts may not foot due to rounding.

Table IV-2 Operating Revenue and Expense Detail*

(\$ millions)	2023	2024	2024	2025
	Actual	Budget	Forecast	Budget
Property Rental	\$62.8	\$74.2	\$66.7	\$69.5
Sale of Utilities	1.8	1.8	2.8	3.2
Services Marine Terminals	148.3	159.2	168.3	172.0
Equipment Rentals	19.1	17.7	20.5	19.4
Other Revenue	6.5	0.1	6.8	4.4
Operating Revenue	238.4	252.8	265.1	268.5
Home Port Services Provided	22.7	24.9	22.5	27.7
Port Salaries & Benefits	9.9	12.3	12.3	14.3
Outside Services	3.2	4.2	5.3	7.2
Longshore Labor & Fringe	14.6	11.5	15.4	15.0
Direct Expenses	22.2	24.6	34.6	35.1
Marketing & Global Outreach	0.7	0.7	0.7	0.8
Travel & Hosting	0.6	0.9	0.8	1.2
Maintenance	23.6	37.3	23.5	32.7
Office Equipment & Supplies	0.3	0.3	0.3	0.3
Utilities	5.9	5.3	6.7	6.9
Other Employee Exp	0.3	0.2	0.2	0.2
Other Expenses	0.9	0.1	0.4	0.0
Environmental	2.2	2.0	2.6	2.1
Total Operating Expenses before Dep.	107.0	124.2	125.4	143.5
<i>Operating Income before Depr.</i>	131.5	128.7	139.7	125.0
Depreciation & Amortization	21.0	29.4	24.8	28.9
Total Operating Expenses	\$128.0	\$153.6	\$150.2	\$172.4
Operating Income	\$110.5	\$99.3	\$114.9	\$96.1
<i>Return on Revenue</i>	46.3%	39.3%	43.3%	35.8%
Non Operating Revenue and Expenses	4.9	15.0	0.9	20.6
Net Assets Before Special Items	115.4	114.3	115.7	116.7
Increase in Net Assets	\$115.4	\$114.3	\$115.7	\$116.7
Distributable Cash (calculated)	\$136.4	\$143.7	\$140.6	\$145.6

* Amounts may not foot due to rounding.

Table IV-3.... Statement of Revenues, Expenses and Changes in Net Position*

	2023 Actual	2024 Forecast	2025 Budget	Change from Prior Year Forecast
<i>(\$ Millions)</i>				
Operating Revenue	\$238.4	\$265.1	\$268.5	1.3%
Total Operating Expenses before Dep.	(107.0)	(125.4)	(143.5)	14.5%
Depreciation & Amortization	(21.0)	(24.8)	(28.9)	16.5%
Operating Income	110.5	114.9	96.1	-16.4%
Non Operating Revenues (Expenses)				
Interest Income	2.9	3.1	2.7	-11.0%
Premium Discount	(0.1)	(0.1)	(0.1)	-2.0%
Market Value Adjustments	0.8	0.1	0.0	-100.0%
Non-Capital Grant Income	0.5	0.2	0.0	-100.0%
Capital Grant Contributions	5.7	3.9	18.7	384.4%
Other Non Operating Revenue (Expense)	(4.9)	(6.2)	(0.8)	-87.8%
Total Non Operating Income (Expense)	4.9	0.9	20.6	2259.7%
Net Distributable Revenue (Net Income)	115.4	115.7	116.7	0.8%
Distributable Cash				
Net Distributable Revenue (Net Income)	115.4	115.7	116.7	0.8%
Add Depreciation and Amortization	21.0	24.8	28.9	16.5%
Distributable Cash*	136.4	140.6	145.6	3.6%
Net Position				
Net Position beginning of year	578.7	628.6	669.7	6.5%
Add Contributions and Expected Capital Construction	60.1	65.9	150.1	127.8%
Add Net Distributable Revenue (Net Income)	115.4	115.7	116.7	0.8%
Less Cash Distributions	(125.6)	(140.6)	(145.6)	3.6%
Net Position end of year	\$628.6	\$669.7	\$790.9	18.1%

* Per charter section 5.3 and charter definition 1.1 (p)

* Amounts may not foot due to rounding.

Table IV-4.... Allocations and Direct Charges Summary*

<i>(\$ Millions)</i>	2023 Actual	2024 Budget	2024 Forecast	2025 Budget
Port of Tacoma to NWSA	\$29.9	\$32.8	\$31.6	\$35.7
Port of Seattle to NWSA	\$13.4	\$12.2	\$12.2	\$13.6
NWSA to Port of Tacoma	\$0.7	\$0.8	\$0.7	\$0.9

Table IV-5.... Six-year Statement of Revenue, Expenses and Change in Assets*

<i>(\$ millions)</i>	2025	2026	2027	2028	2029
Operating Revenue	\$268.5	\$281.2	\$288.2	\$297.0	\$308.2
Total Operating Expenses before Dep.	(143.5)	(142.7)	(145.5)	(143.8)	(145.9)
Depreciation & Amortization	(28.9)	(43.9)	(47.8)	(52.1)	(54.5)
Operating Income	96.1	94.7	94.9	101.2	107.8
Grant Income	18.7	15.9	19.0	13.4	3.0
Other Non Operating Income	1.9	1.6	1.4	1.4	1.4
Net Distributable Revenue	116.7	112.2	115.2	115.9	112.1
Distributable Cash (calculated)	\$145.6	\$156.1	\$163.0	\$168.0	\$166.6

* Amounts may not foot due to rounding.



Tri-cities Intermodal's inaugural shipment of rail cargo at Pierce County Terminal.

V Capital Investment Plan

Overview

The Northwest Seaport Alliance invests in projects to increase the capacity, extend the life or improve the safety or efficiency of alliance-managed property and equipment.

New projects on the Capital Investment Plan that are \$100,000 or greater have been vetted through the Investment Decision and Development Process (IDDP). The IDDP is a two-stage planning development.

- Stage 1 (Opportunity Assessment) is to document new investment opportunities, identify any conflicts and receive input from all potentially affected departments/teams. The leadership management makes the decision to pursue the opportunity to the next stage.
- Stage 2 (Alternatives Analysis) is to assess the initial viability of a project, consider and evaluate alternatives, conduct a project screening, and consider long-range capital planning and potential grants.

The five-year Capital Investment Plan (CIP) identifies all projects planned or underway. The CIP provides a mechanism for tracking and managing project budgets and cash flows for five years into the future. Table V-1 shows planned spending on capitalized projects for the five-year time frame. Projects are associated with a program that fall under one of the businesses or under a category called "Infrastructure."

Although funds for a project are included in the CIP, the project is not automatically authorized to proceed. The alliance Managing Members review and approve each project individually. Projects must have the necessary permitting before proceeding.

To achieve its goals, the alliance continues to invest in revenue-generating capital projects that support its businesses. Although the home ports are responsible for the general infrastructure in each respective county, the alliance may also invest in infrastructure projects that support the NWSA's maritime business, as well as increasing rail and road transit of cargo within boundaries between the ports of Seattle and Tacoma. Often, these infrastructure projects are expensed versus capitalized due to accounting requirements.

In addition, environmental projects are planned for meeting or maintaining regulatory requirements, including the development of mitigation and remediation projects. Projects may be expensed or capitalized according to accounting rules.

Summary of Major Projects

During 2024, the NWSA worked on the following capital projects:

- Phase two berth modernization construction at Terminal 5 and stormwater treatment system
- Renovated CBP office at Terminal 106
- Replaced fender system at Pierce County Terminal
- Reconfigured yard at E. Blair Terminal
- Install shore power at Husky Terminal

The 2025 - 2029 Capital Investment Plan focuses on the following strategic and maintenance projects:

Strategic investments:

- Modernization construction at Terminal 7D in the Tacoma harbor
- Completion of the backlands and other improvements at Terminal 5
- Replace wooden light poles at several terminals in the South Harbor
- Terminal expansion at Husky
- Design shore power at T18, WUT, and PCT

Maintenance investments:

- Replace fender system and water lines at T18
- Rehabilitate Wapato creek culvert
- Maintenance dredging at several container terminals of both harbors
- Berth dredging and toe wall at Husky and WUT terminals
- Maintenance and rehabilitation of assets

The alliance has a strong commitment to the protection and improvement of the environment. Examples of this commitment include the Clean Truck Program, the Northwest Ports Clean Air Strategy, and significant investment in storm-water improvements.

Strategic development efforts focus on serving existing customers, attracting new customers, and building a diverse, dynamic and resilient business base.

Table V-1....Planned Capitalized Project Spending

(\$ Millions)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Historical Capital	134.4	90.6	58.8	53.6						
Planned Capital					65.9	150.1	129.2	95.4	38.9	6.4
Grand Total	\$ 134.4	\$ 90.6	\$ 58.8	\$ 53.6	\$ 65.9	\$ 150.1	\$ 129.2	\$ 95.4	\$ 38.9	\$ 6.4

Capital Investment Plan Priorities

To efficiently allocate human and financial resources, the alliance uses a capital project prioritization methodology. For internal management, the alliance uses two categories:

- **Open:** These are ongoing projects or projects ready to move forward that have customer commitment or a high degree of certainty. Only open projects are included in the budget.
- **Estimate:** These are projects based on an identified business need or opportunity but have not been fully developed in scope and cost.

Capital Investment Plan Projects by Purpose

The alliance classifies CIP projects into three types, (as shown below in Table V-2):

- **Revenue Renewal:** Projects developed to renovate or replace obsolete or aging revenue-producing assets. These projects serve to extend existing revenue streams or ensure existing streams are not lost and may offer additional revenue if replacements enhance the efficiencies of operations or offer additional capabilities or value.
- **Infrastructure:** Projects developed to enhance infrastructure, support multiple or future customers or to enhance public infrastructure. Sometimes, other public agencies may participate in funding. Infrastructure projects are often complex in nature, with multiple public agencies involved in the planning process and execution.
- **Revenue-Generating:** Projects developed for a specific customer that will result in a new revenue stream.

Table V-3 shows Open (excludes estimate) project expenditures during the five-year planning horizon as categorized by accounting treatment.

Accounting rules require some spending to be

capitalized and depreciated over time, while other spending is expensed as incurred.

The alliance's policy is to capitalize all asset additions greater than \$20,000 and with an estimated life of more than three years. Depreciation is computed on the straight-line method. The economic lives of capitalized assets range from three years to 20 years for machinery and equipment while economic lives of buildings and improvements range from 10 years to 75 years.

Table V-3 shows that the NWSA intends to implement \$481.3 million worth of planned projects (capitalized and expensed) in the next five years, with \$169.8 million of that total earmarked for 2025.

Non-operating and operating projects will be expensed as incurred and are included in the operating budget.

Table V-4 shows the five-year CIP by Line of Business.

Table V-5 shows the expected increase in depreciation when planned projects are completed. The CIP is the total expected spending of 162 projects, 85 of which are capitalized and 77 expensed as incurred.

The expensed projects are captured as expenses in the current year budget and four-year operating forecast as incurred. The costs of the capitalized projects are captured as depreciation expense over the estimated life of the projects that may extend beyond three years. Depreciation expenses expect to increase when these projects are complete: redevelopment of Terminal 5 phase 2, modernization at Terminal 7D and construction to replace aging assets of the Wapato creek culvert.

Funding

Capitalized projects are funded by the two homeports and grants or other 3rd party funds if available.

Expensed projects are funded by cash generated by the NWSA and grants, homeport funds, or other 3rd party funds if available.

Table V-2....Five-Year Planned Capital Investment Plan by Purpose

(\$ Millions)

	2025	2026	2027	2028	2029	Total
Infrastructure	\$6.4	\$5.4	\$3.9	\$1.9	\$0.5	\$18.1
Renewal	78.4	110.3	84.7	40.8	11.4	325.5
Revenue	85.0	29.1	19.7	3.7	0.2	137.7
Grand Total	\$169.8	\$144.7	\$108.4	\$46.4	\$12.1	\$481.3

Amounts may not foot due to rounding

Table V-3....Five-Year Planned Capital Investment Plan by Accounting Treatment

(\$ Millions)

	2025	2026	2027	2028	2029	Total
Capitalized	\$150.1	\$129.2	\$95.4	\$38.9	\$6.4	\$420.0
Operating Expense	19.0	15.5	13.0	7.5	5.7	60.6
Non-Operating Expense	0.7	0.0	0.0	0.0	0.0	0.7
Grand Total	\$169.8	\$144.7	\$108.4	\$46.4	\$12.1	\$481.3

Amounts may not foot due to rounding

Table V-4....Five-Year Planned Projects by Line of Business

(\$ Millions)

	2025	2026	2027	2028	2029	Total
Container Business	\$157.2	\$117.6	\$84.8	\$22.4	\$2.1	\$384.1
Non Container Business	4.4	15.9	16.8	15.5	6.4	59.0
Real Estate	1.5	0.9	2.9	3.6	0.1	8.9
Infrastructure	6.7	10.4	3.9	4.9	3.5	29.3
Grand Total	\$169.8	\$144.7	\$108.4	\$46.4	\$12.1	\$481.3

Amounts may not foot due to rounding

Table V-5....Depreciation Impact Due To Capitalized Projects

(\$ Millions)

	2025	2026	2027	2028	2029	Total
Container Business	\$ (2.9)	\$ (14.1)	\$ (18.1)	\$ (22.2)	\$ (24.7)	\$ (82.0)
Non Container Business	(0.5)	(4.0)	(4.1)	(4.1)	(4.0)	\$ (16.7)
Real Estate	(0.0)	(0.1)	(0.2)	(0.2)	(0.5)	\$ (0.9)
Infrastructure	(0.8)	(1.1)	(1.1)	(1.6)	(1.6)	\$ (6.3)
Grand Total	\$ (4.1)	\$ (19.3)	\$ (23.4)	\$ (28.1)	\$ (30.9)	\$ (105.8)

Amounts may not foot due to rounding

Capital Investment Plan Project Descriptions

The NWSA's five-year CIP has been categorized on a business basis, as shown in Figure V-1. The following section provides details of major planned improvements within each business and only includes major projects and equipment.

Container Terminals Business

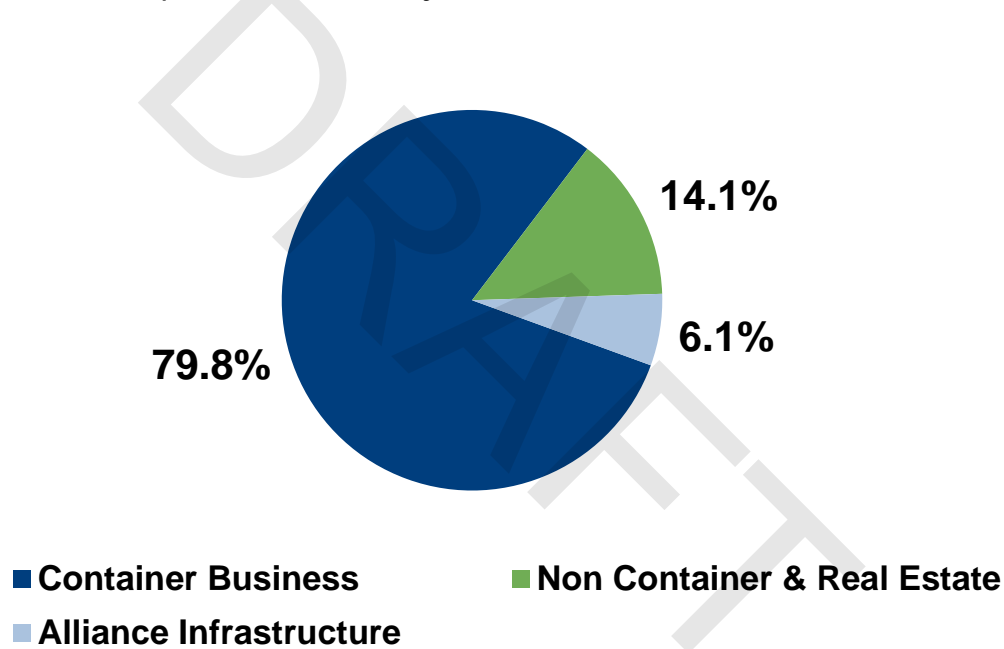
Planned capital expenditures for container terminals will total approximately \$384.1 million over the next five years. The CIP for this business will provide the

funds necessary to complete the remaining projects to support the completion of modernizing Terminal 5 in the North Harbor; modernize Terminal 7D and terminal expansion at Husky in the South Harbor; shore power design and wharf rehabilitation at Terminal 18; maintenance and berth dredging at several container terminals; rebuild Wapato creek culvert; expand reefer plugs at PCT; install LED lightings at several terminals in the South Harbor.

Non-Container Business & Real Estate

Approximately \$67.9 million will be spent on facility improvement for terminal operations, auto and real estate businesses.

Figure V-1....Five-Year Capital Investment Plan by Line of Business



Alliance Infrastructure

This section includes capital expenditures that are not specific to a single business and are in support of the alliance's infrastructure or environmental improvements.

- **Environmental Programs:** These projects include reduction and monitoring of emissions, and ongoing cleanup projects. This also includes purchase of electric straddle carriers for its operations. The Clean Truck Program and the Clean Cargo Handling Equipment Incentive Program provide matching funds and incentives to help cover the cost of replacing older trucks or handling equipment with cleaner

new ones.

- **Technology:** The alliance continues to invest in an operations service center that will allow customers and cargo owners to track their cargo as it moves through the gateway.

Capital Investment Plan Revisions

The CIP is an integral part of the budget planning process and is reviewed and revised semi-annually. Adjustments in amount and timing are made as required to meet changes in customer or infrastructure requirements.

VI Environmental Stewardship and Planning

Environmental stewardship and sustainable practices are a high priority for the NWSA. The NWSA Environmental Stewardship Framework has been put into action. Specifically, working with our stakeholders, the NWSA developed a Best-In-Class approach built on a foundation of the following:

- Environmental, economic and financial business decision planning/making are fully integrated;
- Responsive to market and community; and,
- Drives innovative, cost-effective and sustainable solutions.

Program areas of emphasis include:

- Water Quality
- Air Quality and Sustainable Practices
- Planning and Logistics
 - Transportation
 - Land Use
 - Facilities

In 2025, the NWSA plans to focus its environmental efforts on water and air quality and greenhouse gas reductions, with the bulk of that work on NWSA licensed properties. The NWSA plans to develop additional sustainability strategies to help shape future leasing strategies, green corridors, green fuels and explore green building initiatives.

In addition, the NWSA has partnered with the Ports of Seattle and Tacoma along with other key industry, environmental, state and federal stakeholders to develop a large commercial vessel Quiet Sound program. This program is managed by Maritime Blue and will study and promote ways to reduce noise impacts to Orca and other marine mammals in Washington State Waters. The Ports of Seattle, Tacoma and the NWSA have committed a total of \$190,000 in 2024 towards this effort to sustain the program. In 2023-24, 71% of vessel transits slowed, leading to a 50% reduction in underwater noise intensity when whales were present.

Water Quality Program

NWSA's Water Quality (WQ) team is comprised of professionals with experience in site inspection, monitoring, project development and delivery, and policy analysis. The goal of this program is to work

with internal and external stakeholders to design highly effective, low-cost treatment and compliance solutions that meet or exceed Washington State's high water quality standards.

Industrial Stormwater Management Program

The WQ team manages an industrial stormwater program that is a collaborative effort engaging customers, agencies, and environmental organizations in both the Seattle and Tacoma harbors. The goal of the program is to discover and create solutions for emerging stormwater issues, solve common problems and provide stormwater technical assistance to our customers at their request. Staff engage in extensive stakeholder outreach that includes customers, regulators, and environmental organizations.

Accomplishments in 2024 include:

During 2023, Water Quality staff engaged in settlement discussion meetings with Ecology on the 2025 Industrial Stormwater General Permit. These meetings continued into early 2024, prior to the draft permit being released for public comment in May of 2024. The draft permit contains many proposed changes that will directly impact Ports. Staff have been actively working with other departments including Real Estate, Communications, and Government Affairs as well as external partners such as WPPA to build coalition with internal and external partners. Comments were submitted on behalf of the Port of Tacoma by the deadline of July 15. Water Quality Staff are currently planning for implementation of the 2025 ISGP on January 1, 2025.

During 2024, Water Quality Staff have also provided technical support for multiple legal cases related to the ISGP.

- Completing industrial, and outfall site inspections ahead of schedule,
- Working with Maintenance to complete maintenance on treatment systems ahead of first flush to insure we are prepared for the rainy season,
- Educating internal and external stakeholders on proposed changes to 2025 ISGP
- Review and comment on Draft 2025 ISGP

Research and Develop Cost-Effective Means to Manage Stormwater

The NWSA continues previous work initiated separately by the two ports. The NWSA implements innovative cost-effective treatment methods in the field and focuses on practical, effective stormwater Best Management Practices (BMPs). This includes conducting pilot studies of new and existing treatment infrastructure and sharing the results with tenants and stakeholders. During 2024, the WQ Team submitted application to Ecology to certify treatment systems designed for use at the Tacoma and Seattle harbors through Ecology's General Use Level Designation (GULD) website. This includes taking current designed treatment systems to Ecology through the Emerging Stormwater Technologies (TAPE) Program. Successful inclusion of our treatment systems in on Ecology's GULD website will allow ports and other permittees to use the information when installing industrial stormwater treatment on their sites and may help to expedite permit approvals from local jurisdictions when installing treatment on North and South Harbor properties.

Source Control

Controlling pollutants at or near the source is the most cost-effective way to reduce pollution in stormwater runoff, manage the risk of costly corrective actions for treatment, and reduce the cost of operations and maintenance of installed stormwater treatment systems. NWSA WQ staff work with customers (as requested) to identify pollutants close to the source and eliminate the source where possible. The WQ team assists customers with effective, low-cost solutions.

Seattle Harbor Focus

Most Seattle Harbor tenants have installed stormwater treatment at their facilities. The challenge going forward is to reduce the cost of operating and maintaining these systems. The WQ team continues to focus on maintaining relationships with tenants/customers and working with them to implement at-source and near-source BMPs with these goals in mind. During 2025, we will manage new ISGP permits as necessary in the North Harbor, as well as continue to support other projects.

Accomplishments include:

The Northwest Seaport Alliance Budget

- Coordination with Seattle Harbor stormwater staff on projects including completion of treatment vault installation at T46,
- Assistance with tenant SWPPPs,
- Continued coordination with Marine Maintenance and Stormwater utility on water quality issues in the North Harbor.
- Provide lease review and project support for new projects in the North Harbor

Tacoma Harbor Focus

The WQ team continues to work with tenants/customers to implement at-source and near-source BMPs to facilitate cost-effective and successful solutions, and to focus on customers that may face site challenges to meet water quality criteria or regulatory policy issues. In the Tacoma Harbor, the priority for 2025 will be implementation of the 2025 ISGP. This will include obtaining permits for Port and NWSA operated facilities, as well as working with tenants.

Accomplishments in 2024 include:

- Completion of paving of EB-1 terminal Coordinating business inspections with the City of Tacoma.
- Innovative treatment technology involvement with design of future Port of Tacoma Administration building and Maritime 253 building.
- Provide design assistance to Port of Tacoma of Arkema redevelopment

Stormwater Development/Redevelopment

Coordination with each home ports' stormwater permit programs ensures site-specific stormwater requirements are met. This includes the design of appropriate treatment systems and/or system selection based on proposed land use and typical discharges associated with site-specific activities. Projects include redevelopment of terminals in both harbors.

Accomplishments in 2024 include:

- Continue to support and coordinate permitting issues with the City of Tacoma,
- Coordination with City of Tacoma on MS-4 stormwater coordination and ILA discussions
- Completed PCT truck queue erosion repair work,

- Completed 11th Street Demo project,
- Provide design support for the potential redevelopment of Arkema site,
- Provide design support for Parcel 86 pipe realignment.
- Provide design support on new Port of Tacoma Stormwater Center and Decant Facility

2025 Goals

In 2025, the WQ team will

- Continue to support emerging projects including , ditch maintenance in the Tacoma Harbor, and the Thorne Road Off-Dock Container Expansion yard for which Ecology funded a \$4.37M grant.
- Continue conversations with Ecology regarding the 2025 Industrial Stormwater General Permit (ISGP)
- Implement 2025 ISGP on Port operated facilities
- Implement and meet new requirements of 2024 Phase I Municipal Permit
- Continue work towards certification for treatment systems with Ecology GULD/TAPE program.
- Use various tools including surveys, newsletters, and site visits, to share information on 2025 ISGP with tenants and assist with stormwater management issues .
- Begin work on high priority sites for infrastructure upgrades related to systemic flooding issues per the Stormwater Infrastructure Comprehensive Plan Continue utilizing Drone technology for outfall and other permit required inspections, derelict vessel investigations, and shoreline mapping
- Implement 2024 MS-4 Phase I permit for the Port of Tacoma
- Continue to be a leader in the stormwater

section of Green Marine Certification.

- Finalize ILA negotiations with City of Tacoma on behalf of the Port of Tacoma

Air Quality & Sustainable Practices Program

The Air Quality & Sustainable Practices Program jointly serves the Port of Tacoma and The Northwest Seaport Alliance and focuses on two goals: 1) reducing – and, ultimately, phasing out -- air and climate pollution from seaport related activities; and 2) promoting environmentally sustainable corporate practices. The program collaborates with a wide range of internal and external partners to develop, find funding for, and implement a suite of initiatives to advance the 2020 Northwest Ports Clean Air Strategy (NWPCAS) and implement the NWSA's 2021-2025 Clean Air Implementation Plan. Key initiatives include the Clean Truck Program (including the newly formed Zero Emission Truck Collaborative); the Clean Vessels Program (including shore power installations at major container terminals); and the Clean CHE Program.

Key 2024 Accomplishments

- Continued to coordinate and lead implementation of the NWSA's 2021-2025 Clean Air Implementation Plan to advance the 2020 NWPCAS;
- Continued to implement the Diesel Truck Scrap-and-Replace Program, which helps the owners/operators of pre-2007 drayage trucks transition to cleaner diesel vehicles.
- Launched the Zero Emission Drayage Incentive Program to incentivize deployments of zero-emission drayage trucks in the NWSA gateway.
- Continued to support and participate in the Puget Sound Zero Emission Truck Collaborative, a multistakeholder working group that developed a coordinated Decarbonizing Drayage Roadmap.
- Laid the foundation for a new Zero Emission CHE Incentive Program, set to launch in late 2024 or early 2025. This program will encourage marine terminal operators and other operating partners o scrap old diesel equipment and replace it with zero-emission technologies;
- Continued to lead the NWSA's engagement in the US-Korea Green Corridors Project, in partnership with the U.S. Government, the Republic of Korea, two Korean

ports (Busan Port Authority and Ulsan Port Authority), and several commercial partners. In 2024 the pre-feasibility phase of the project was completed and the feasibility phase was initiated.

- Continued to support the shore power installation program, including construction at Husky Terminal, design at T-18, and planning at PCT, WUT, and EB-1.
- In collaboration with the Port of Seattle, Port of Tacoma, Seattle City Light, Tacoma Public Utilities, and others, neared completion of two major energy planning studies – the Seattle Waterfront Clean Energy Strategic Plan and the South Harbor Electrification Road Map (SHERM) – to assess the infrastructure needs associated with transitioning to zero-emission vehicles, equipment, and operations;
- Supported completion of the shore power infrastructure installation at Terminal 5, initiation of construction at Husky Terminal, and initiation of design at Terminal 18;
- Continued planning for a new Clean CHE Incentive Program aimed at encouraging marine terminal operators to scrap old diesel equipment and replace it with zero-emission technologies;
- Completed and published the update to the Puget Sound Maritime Emissions Inventory (PSEI).
- In collaboration with the ports of Seattle and Tacoma, continued efforts to communicate and engage with near-port communities and other external stakeholder and partners, including continued publication of the Ports Clean Air Quarterly (a quarterly newsletter) and the launch of www.nwcleanports.org (a new web portal on port-related clean air and climate solutions).
- Continued to identify, pursue; and secure state and federal grants and other external financial and technical assistance to help advance NWSA clean air, climate, and sustainability goals. In 2024 the AQSP Team helped secure more than \$40 million in state and federal grants (including four federal awards and one state award), and wrote a \$500 million proposal to the EPA Clean Ports Program (results pending).

Key 2025 Goals

- Continue to lead and coordinate implementation of the NWSA 2021-2025 Clean Air Implementation

Plan; Design and lead a process to develop and secure adoption of a 2026-2030 Clean Air Implementation Plan;

- Continue to implement the Diesel Truck Scrap-and-Replace Program.
- Continue to support enforcement of the Clean Truck Program rule (disallowing pre-2007 trucks) at the three domestic terminals by the end of 2025.
- Continue to implement the Zero Emission Drayage Incentive Program, with support from a third-party administrator.
- Continue to support and participate on the Puget Sound Zero Emission Truck Collaborative and implementation of the Decarbonizing Drayage Roadmap – including continuing to partner with the e Port of Seattle’s Office of Equity, Diversity and Inclusion to insure the integration of diversity, equity, and inclusion goals into the program..
- Launch and implement the new Clean CHE Incentive Program;
- Complete feasibility studies and develop roadmaps for two green cargo corridors between the NWSA gateway and Korean ports: a container ship corridor with Busan and a car carrier corridor with Ulsan. Develop and launch a new Port Readiness Enhancement Program (PREP) to advance the NWSA’s capacity to receive and serve cargo ships operating on alternative fuels.
- Continue to support the shore power program, including operations at Husky Terminal and design at T-18, WUT, PCT, and EB-1.
- Continue to publish the Ports Clean Air Quarterly and update www.nwcleanports.org.
- Complete the Seattle Waterfront Clean Energy Strategic Plan and the South Harbor Electrification Roadmap (SHERM) and pivot to development of a gateway-wide zero emission infrastructure development strategy; and

Planning & Logistics

Planning and Logistics provides a range of services intended to support NWSA Charter goals from strategic to site planning. Some primary services include planning for marine terminals and supporting infrastructure, advocating for multi-modal freight related transportation systems, facilitating port visioning. Planning also coordinates baseline studies to facilitate decision making about investments and operations.

Overview of services:

- **Land Use Planning and Advocacy:** Provide expert level land use planning services to protect manufacturing and industrial lands for seaport operations; review and provide comment on local and regional land use policies and regulations; provide technical support and advice on relevant state and federal policies.
- **Facility Planning:** Services include facility design, facility resilience assessment and planning, assessment of infrastructure needs for operational efficiency, and documentation of current and planned facilities.
- **Transportation Planning and Advocacy:** Support traffic congestion reduction and advance warning technology in the Tidelands, analyzing off-terminal traffic flow and circulation, truck parking, and preservation of freight and heavy haul routes.
- **Project Feasibility Development:** Support strategic port planning and the opportunity assessment process by maintaining a general understanding of all focus areas within the Department, especially the environmental specialties.
- **Strategic Planning and Visioning:** Support development of strategic and business plans, including internal and external engagement and consultant services. The team also supports periodic updates of the Port's Economic Impact Analysis.
- **Grant Program Coordination:** Coordinate grant application efforts to ensure a unified and proactive approach. Grants are sought to help offset the cost of infrastructure, equipment transportation technology, and planning, whenever feasible. Coordination efforts encompass tracking priority projects and grant opportunities. The team also provides staff support to the Grant Steering Committee and communication with staff involved in grant writing as well as providing commission updates.

2024 Planning & Logistics Key Accomplishments

- Completed the Cargo Terminal Access Strategy for the North Harbor.
- Coordinated submission of approximately \$560 million in grant applications.

- Managed the Economic Impact Analysis update, which for the first time includes an equity analysis and studies all lines of business for the NWSA, POS, and POT.

2025 Planning & Logistics Goals

- Advance Resilient Gateway Program policies
- Provide technical support for Sound Transit Link extensions and Sounder expansion.
- Advocate for NWSA priorities at Puget Sound Regional Council staff committees
- Manage the NWSA/POT Grant Program
- Support the Tidelands Subarea Plan



Longshore worker connecting an MSC vessel to shorepower at Terminal 5 in the North Harbor.

Appendix A: NWSA Full Time Personnel

	NWSA			
	2023 Actual	2024 Budget	2024 Actual	2025 Budget
Executive	9	9	10	11
External Affairs (Public Affairs & Communications)	4	4	4	5
Finance And Administration	2	2	2	2
Commercial Business	18	21	21	21
Operations	9	10	12	12
Facilities Development	13	16	17	18
Total	55	62	66	69

*2024 Actual is 2024 forecasted ending headcount

Northwest Seaport Alliance Average Compensation (excluding CEO)

The 2025 staffing budget of \$14,281,313 includes the following:

- \$9,957,246 for salaried employees and \$96,088 for hourly employees which includes;
 - \$275,044 for annual pay increases for salaried employees starting April.
 - \$24,269 for annual recognition program paid to salaried employees in April.
 - \$194,149 for marketplace adjustment for salaried employees during the year.
 - Average salary of \$142,757
- Total benefits of \$4,227,979

Changes in NWSA Full Time Personnel from prior budget

- Operations: 2 open positions added
- Facilities Development: 2 positions added.
- Executive: 2 positions added
- External Affairs: 1 position added

Appendix B: NWSA Memberships

Overview

The NWSA and alliance staff are members of several organizations. The NWSA believes that participating in these partnership organizations plays a key role in advancing the NWSA's business objectives and ensures NWSA staff is knowledgeable and productive. These memberships are in addition to or supplement the home port memberships.

Port Authority Organizations

These memberships assist the NWSA's lobbying efforts on both the state and national levels and keep staff informed about major issues and developments that affect NWSA operations. Membership with the Washington State Public Ports Association remains with the home ports.

Economic Development Organizations

Economic development is a major part of the NWSA's mission. For that reason, the NWSA maintains memberships and works closely with a variety of economic development groups. These memberships help strengthen the NWSA's visibility throughout the world through trade missions and trade shows.

Regional Organizations

Memberships in regional organizations demonstrate the NWSA's commitment to trade on a statewide and regional basis.

Industry Associations and Professional Organizations

These associations and organizations ensure that staff obtain the latest in technical development by taking advantage of meetings, networks and special programs offered by them.

Trade Promotion Organizations

These memberships give the marketing and sales staff important contacts and current industry trade information that enhances the NWSA's overall marketing efforts.

Community Service Groups

The NWSA maintains memberships in these groups as part of its effort to build better community relations, to work more effectively with businesspeople and to ensure that the NWSA's interests and concerns are addressed in the community.

Annual NWSA Memberships & Personnel Memberships (estimated)

Organization	Annual Dues
American Association of Port Authorities	\$83,000
Pacific Northwest Waterways Association	37,000
Washington Council on International Trade	20,000
Green Marine	12,000
Clean and Prosperous Washington	10,000
All Other Memberships	8,583
Total NWSA Memberships	\$237,400

American Association of Port Authorities

AAPA is an alliance of leading ports in the Western Hemisphere that protects and advances the common interests of its diverse members through advocacy, professional development, relationship-building, and public awareness.

Pacific Northwest Waterways Association

The Association advocates for funding for navigation projects around the region, including those on the Columbia Snake River System, in the Puget Sound and along the Oregon and Washington coasts.

Washington Council on International Trade

The Council is dedicated to advocating for public policies that increase Washington State's international competitiveness.

Green Marine

Green Marine is an environmental certification program for the North American marine industry.

Clean and Prosperous Washington

A team of business leaders working with labor, tribes, environmental organizations, and social justice advocates in Washington state to enact smart climate policies.

The Northwest Seaport Alliance

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PORT OF TACOMA

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DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
2302 Ross Way	Lot G Striping & Barriers for Autos	40	0	0	0	0		40
2302 Ross Way Total		40	0	0	0	0		40
Air Quality	Air Pollutant Emissions Inventory (parent MID)	0	0	0	450	150		600
	Annual Emissions Inventory & GHG (parent MID)	0	0	0	80	20		100
	Clean Cargo Handling Equipment Incentive Program	100	2,200	2,200	0	0		4,500
	Clean/ZE Vessels Program	0	120	0	0	0		120
	Electrification Roadmap - SH	83	0	0	0	0		83
	FY21 DERA Grant Scrap Bonus Program	172	288	0	0	0		460
	GHG Inventory 2022	6	0	0	0	0		6
	Green Marine Certification	0	0	0	10	0	0	10
	NW Ports Clean Air Strategy	421	345	865	952	1,047	0	3,630
	NWPCAS ZE Cargo Handling Support	180	96					276
	NWPCAS ZE Truck Support	116	336					452
	NWSA Clean Truck Program	185	31	379	417	0		1,012
	NWSA Environmental Sustainability Initiatives (general)	125	0	106	117	129	0	477
	PSEI 2021 Inventory	131	0	0	0	0		131
	Zero Emission Truck Collaborative	510	251	0	0	0		761
Air Quality Total		2,028	3,667	3,550	2,026	1,346	0	12,617
AWC	AWC Asphalt Repair	0	480	520	540	510		2,050
	AWC Asphalt Replacement and Stormwater	0	1,000	350	0	0		1,350
	Marshall Ave Auto Warehousing Paving Repairs (2021-2024)	7	0	0	0	0		7
AWC Total		7	1,480	870	540	510		3,407
Blair Terminal	Blair Dock Cleat Replacement (HMT eligible)	150	0	0	0	0		150
	Blair Terminal Deepening (Design)	0	100	100	0	0		200
	Blair Terminal Repair Damaged Fenders (HMT Eligible)	173	73	0	0	0		246
Blair Terminal Total		323	173	100	0	0		596
Contribution	Zero Emission Drayage Demonstration Program	0	420	0	0	0		420
Contribution Total		0	420	0	0	0		420
E. Sitcum	T7D Maintenance Dredging HMT eligible	0	90	0	0	0		90
E. Sitcum Total		0	90	0	0	0		90
EB1	EB1-- Gate Reconfiguration	0	100	0	0	0	0	100
	EB1 Ramp Area Repair (HMT Eligible)	231	0	0	0	0		231
	EB1 Yard Reconfiguration	2,776	798	0	0	0		3,574

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
EB1	EB1-Loading Ramps for RO-RO Cargo.	200	0	0	0	0		200
	ISGP EB1 Terminal	25	0			0	0	25
EB1 Total		3,231	898	0	0	0	0	4,129
Environmental	NWSA Environmental Analysis for Potential Port Development	130	48	36	36	36		286
	Tacoma harbor - Environmental Compliance Program	21	16	12	12	12		73
	Seattle harbor - Environmental Compliance Support	22	20	20	20	20	20	122
Environmental Total		173	84	68	68	68	20	481
Husky	Husky Area A5 & A6 Paving Repair	0	6,915	0	0	0	0	6,915
	Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	471	1,200	200	95			1,966
	Husky Crane Video Mgmt System Hardware Replacement (became MID 201192.01)	15	0	0	0	0		15
	Husky Maintenance Tower Roof Leak	145	10	0	0	0		155
	Husky Terminal Expansion	4,526	1,000	5,000	10,000	3,500		24,026
	MV Remote Racking System Asset 08419 Substation #6 Pier 4	35	0	0	0	0		35
	Pier 3/4 Maintenance Dredging (HMT eligible)	10	170	0	0	0		180
	Terminal 3/4 Shorepower	6,565	45	0	0	0		6,610
Husky Total		11,768	9,340	5,200	10,095	3,500	0	39,903
IT	PCS: Empty Return Instructions Dashboard	0	200	0	0	0		200
	PCS: Truck Experience Measurement- Implementation	0	500	1,000	1,000	0		2,500
	Consolidated Terminal Operating System Assessment	0	0	300	300			600
	Terminal Op System Operational Data Access (implementation)	0	300					300
IT Total		0	1,000	1,300	1,300	0		3,600
Jack Block	Jack Block Park Pier & Plaza Replacement	50	2,000	4,450	3,500	0	0	10,000
Jack Block Total		50	2,000	4,450	3,500	0	0	10,000
NIM	ISGP NIM Yard	22	0			0	0	22
NIM Total		22	0			0	0	22
PCT	Mooring System Study for PCT	53	0	0	0	0		53
	PCT Bollard Upgrades	0	275	1,691	1,691	0	0	3,658
	PCT Crane Rail Crack Repair (HMT Eligible)	138	0					138
	PCT Deepening Project	50	0	0	0	0		50
	PCT Fender Replacement (HMT eligible)	2,839	0	0	0	0		2,839
	PCT LED Lighting Upgrade	0	800	2,040	0	0		2,840
	PCT Maintenance Dredging (HMT eligible)	30	1,162	0	0	0		1,192
	PCT Operating Pavement Repair (2023-27)	1,500	1,500	1,500	1,500	0		6,000

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
PCT	PCT Operating Pavement Repair (parent MID)	0	0	0	0	1,500	1,500	3,000
	PCT Strad Bay Roof Replacement	701	12	0	0	0		713
	PCT Transfer Zone Pavement Reconstruction	0	388	4,759	0	0	0	5,147
	PCT Transfer Zone Rebuild	50	0					50
	PCT Wapato Creek Culvert Replacement	300	1,200	1,500	16,450	15,850		35,300
	Terminal Building repairs or replacements - PCT	0	250	0	0	0		250
	Wapato Creek Bank Repair	362	0	0	0	0		362
	Wapato Creek Culvert Outfall & Interceptor Pipe Repair	8	364	0	0	0		372
	PCT Shorepower - Design phase	25	375	1,000	1,350	0		2,750
PCT Total		6,057	6,776	16,940	30,791	17,350	1,500	79,415
PCT IM	PCT Rail Yard Pavement Repairs	29	0	0	0	0		29
PCT IM Total		29	0	0	0	0		29
Pier 16/17	Pier 17 Bulkhead Wall Repair (HMT Eligible)	43	0	0	0	0		43
	Pier 17 Dolphin Replacement	25	146	221	321	0	0	713
	Pier 17 HVAC Controls	30	210	0	0	0	0	240
Pier 16/17 Total		98	356	221	321	0	0	996
Placeholder	NH -NWSA Unanticipated Repairs/Misc Expenses (placeholder)	0	0			1,500	1,500	3,000
	SH -NWSA Unanticipated Repairs/Misc Expenses (placeholder)	0	0			1,500	1,500	3,000
Placeholder Total		0	0			3,000	3,000	6,000
Pony Lumber	CanAm Warehouse Fire System Dry Valve Replacement	68	0	0	0	0		68
	Parcel 86 Pipe Realignment	532	0	0	0	0		532
	Pony Environmental Cap Repair (parcel 86) (parent MID)	0	50	50	50	50	50	250
	Pony Lumber Dock Repairs (HMT eligible)	360	353	0	0	0		713
Pony Lumber Total		959	403	50	50	50	50	1,562
Portac	Auto Storage Fencing & Gate (Lower Portac)	173	0	0	0	0		173
Portac Total		173	0	0	0	0		173
PWI	11th Street Boat Launch Repair	45	0					45
PWI Total		45	0					45
SIM	ISGP SIM Yard	17	0			0	0	17
	SIM Driveway Repair	50	0	0	0	0		50
SIM Total		67	0	0	0	0	0	67
Stormwater	2020 ISGP Permit Appeal	107	150	0	0	0	0	257
	2025 ISGP Permit Appeal	0	300					300

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
Stormwater	ISGP Seattle Harbor	0	135	135	135	135	135	675
	ISGP Tacoma Harbor	0	250	250	250	250	250	1,250
	NWSA MS4 Projects	190	0					190
	NWSA Stormwater Study	500	200	0	0	0		700
	NWSA Water Quality Strategic Initiatives (2024)	192	0					192
Stormwater Total		989	1,035	385	385	385	385	3,564
Strads	Electric Straddle Carriers	0	0	5,000	0	0		5,000
Strads Total		0	0	5,000	0	0		5,000
T105	T105 Shoreline Erosion Repair	30	227					257
T105 Total		30	227					257
T106	T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	4,705	0	0	0	0		4,705
	T106 Roof Replacement (55% NWSA, 45% POS) became U00701	489	0	0	0	0		489
T106 Total		5,194	0	0	0	0		5,194
T115	Building Energy Regulatory Compliance - consulting support for The NWSA	0	200	100	100	100	100	600
	T115 Substation 1 Replacement	0	190	20	2,500	3,500	0	6,210
	T115 Water System & Hydrant Replacement (Design Only)	0	51	0	0	0	0	51
T115 Total		0	441	120	2,600	3,600	100	6,861
T115 Barge/Tug	T115 Barge & Tug Marine Maintenance Expense Tracking	9	0	0	0	0		9
	T115 Routine Condition Assessments	0	0	70	0	0		70
T115 Barge/Tug Total		9	0	70	0	0		79
T115 General	T115 - Roof Replacement Analysis Administration Building	0	37	110	0	0	0	147
	T115 Arc Flash Study	0	50	200	0	0	0	250
	T115 Clean Truck Program RFID (Domestic Terminals)	20	310	0	0	0	0	330
	T115 General Marine Maintenance Expense Tracking	6	0	0	0	0		6
	T115 Hydrant 1 Replacement	44	0			0		44
	T115 Roof Replacement Analysis - M&R Shop	12	49	184	0	0	0	245
	T115 South Substation - Electrical Maintenance Assessment	0	424					424
T115 General Total		82	870	494	0	0	0	1,446
T18	T18 Deepening (Design)	120	432	500	250	0	0	1,302
	T18 Lift Station Replacement	50	360	1,779	0	0		2,189
	T18 Maintenance Dredging (HMT eligible)	152	542	4,058	3,766	0		8,518
	T18 Marine Maintenance Expense Tracking	3	0	0	0	0		3
	T18 N1 & N2 Protective Relay Replacement	400	0	0	0	0	0	400

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024- 29 Budget
T18	T18 North Fender Replace (HMT eligible)	226	836	1,310	21	0		2,393
	T18 On-Dock Rail Restoration and Capacity Expansion	0	250	1,798	1,566	0	0	3,614
	T18 Perimeter Fence Signs	21	0	0	0	0		21
	T18 Pile Cap Repairs Construction Only (HMT eligible)	0	2,340	34,109	17,055	0		53,504
	T18 Pile Cap Repairs Design Only (HMT eligible)	645	170	0	0	0		815
	T18 Seawall Patching 2024	26	0	0	0	0	0	26
	T18 Shore Power Design	1,930	6,315	0	0	0		8,245
	T18 Subs Electrical Maint	8	0	0	0	0		8
	T18 Transtainer Runs (no stage 1 or stage 2) (SSA will do work)	500	3,500	0	0	0		4,000
	T18 Water Main & Valve Replacement North - Design	50	350	650	0	0		1,050
	T18 Water Main & Valve Replacement South	50	200	1,530	1,500	0		3,280
T18 Total		4,180	15,295	45,734	24,158	0	0	89,367
T25	T25 Dock Rehabilitation (HMT eligible) -Design	0	0	1,054	4,000	0		5,054
	T25 Marine Maintenance Expense Tracking	1	0	0	0	0		1
	T25 Piping/Ship Water Box Replacements	25	100	522	0	0	0	647
	T25 Routine Condition Assessments	0	85	0	0	0		85
	T25 South Site Feasibility Assessment	0	50	100	0	0	0	150
T25 Total		26	235	1,676	4,000	0	0	5,937
T30	T30 Central Substation Replacement	3,727	665	0	0	0		4,392
	T30 Dock Rehabilitation (HMT eligible)	0	500	2,000	5,000	1,055		8,555
	T30 Main Substation (North) - Electrical Maintenance Assessment	0	424	0	0	0		424
	T30 Maintenance Dredging (HMT eligible)	127	508	2,207	1,888	0		4,730
	T30 Marine Maintenance Expense Tracking	46	0	0	0	0		46
	T30 North Fire Main Premise Isolation	30	85	0	0	0	0	115
	T30 Perimeter Fence Signs	21	0	0	0	0		21
	T30 Routine Asset Condition Assessment	114	0	0	0	0		114
	T30 Seawall Patching 2024	26	0	0	0	0	0	26
	T30 Ship Dock Water Boxes and Underdock Supply Piping	25	100	522	0	0	0	647
T30 Total		4,116	2,282	4,729	6,888	1,055	0	19,070
T46	T18 Routine Asset Condition Assessment	0	0	150	0	0		150
	T46 Admin Bldg. Roof Top Unit Rebuild	0	270	0	0	0	0	270
	T46 CCTV Upgrades	350	0	0	0	0		350
	T46 Clean Truck Program	45	187	0	0	0		232

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
T46	T46 Crane Maintenance	4	0	0	0	0		4
	T46 Dock Ladders Replacement	0	175	0	0	0	0	175
	T46 Fire Alarm Control System Replacement (66.5% NWSA, 33.5% POS)	13	100	0	0	0		113
	T46 High Mast Lighting Retrofit	15	345	0	0	0	0	360
	T46 Install Removable Bull Rail	0	500	0	0	0	0	500
	T46 Light Pole Bolts Evaluation	0	226	0	0	0	0	226
	T46 Light Pole Replacement	0	510	250	0	0	0	760
	T46 Lighting Controls	10	450	0	0	0	0	460
	T46 Maintenance Dredging (HMT eligible) Design	178	514	0	0	0		692
	T46 Marine Maintenance Expense Tracking	45	0	0	0	0		45
	T46 N. Substation #1 Replacement (NWSA 80%, POS 20%)	3,162	891	754	0	0		4,807
	T46 NW Bulkhead Maintenance 2024	35	0					35
	T46 NW Bulkhead Maintenance 2025	0	35	35				70
	T46 Office Improvements	27	1,685	0	0	0	0	1,712
	T46 Routine Condition Assessment	10	0	0	0	0	0	10
	T46 Routine Condition Assessment 2024	90	0					90
	T46 SPU Combined Pipe Repair	49	675	654	600	0		1,978
	T46 Storm Vault Reconfiguration	55	0	0	0	0		55
	T46 Substations and Switchgear Testing, Cleaning and Repairs	250	100	0	0	0		350
	T46 Water System Replacement Study	20	124	0	0	0		144
T46 Total		4,359	6,787	1,843	600	0	0	13,589
T5	MARAD PIDP FY22 T5 Grant Admin	54	110	150	150	0		464
	MARAD PIDP T5 Grant Admin	61	120	150	0	0		331
	T5 Access Road Improvements	193	0	0	0	0		193
	T5 Annual Paving	0	200	200	200	200	200	1,000
	T5 Approach Overpass Bridge - W Maringinal Way SW	100	100	0	0	0		200
	T5 Berth Modernization Legal Support Project	225	209	0	0	0		434
	T5 City Power Supply (public exp)	1,500	0	0	0	0		1,500
	T5 Container Yard Expansion	518	7,554	11,556	0	0		19,628
	T5 Cooling Tower Rebuild	165	0	0	0	0		165
	T5 Electrical Equipment Removal	0	210	20	0	0	0	230
	T5 Feeder 9 Emergency Repair	65	0	0	0	0		65
	T5 Gangway Platforms	0	0	0	0	0		0

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
T5	T5 Gate Complex (SSA will do work)	686	16,294					16,980
	T5 Gatehouse Geotech Assess	38	62					100
	T5 Hydrant Replacement (31)	0	50	250	540	0		840
	T5 Interim Paving	249	0					249
	T5 IY Bungalow Reset	9	0	0	0	0		9
	T5 Lift Station & Sewer Line Condition Assessment (N10540)	42	98	0	0	0		140
	T5 M&R RTU Replacement	85	0	0	0	0		85
	T5 Main Low Voltage Substation Maint & Relay Replacement	20	660	0	0	0	0	680
	T5 Marine Building North	222	0	0	0	0		222
	T5 Marine Building South	532	20	0	0	0		552
	T5 Marine Maintenance Expense Tracking	66	0	0	0	0		66
	T5 Medium Voltage Feeder Line Repair	260	0	0	0	0	0	260
	T5 North Berth Seawall Repair	898	0	0	0	0		898
	T5 Operational Readiness	1,180	0	0	0	0		1,180
	T5 Pedestrian Pathway	833	0	0	0	0		833
	T5 Phase 2 Premises Management Reserve - capital	0	4,000	8,397	0	0	0	12,397
	T5 Rail Bungalows Controls Updgrade	0	550	300	0	0	0	850
	T5 Rail Quiet Zone (public exp)	4,769	15	0	0	0		4,784
	T5 Rail Yard Air Hoses	33	0					33
	T5 Rebuild Breakers for Spares (became N10278)	8	0	0	0	0		8
	T5 Reefer Demarcation Infrastructure (SSA will do work)	332	6,716	1,333	0	0		8,381
	T5 Reefer High Voltage Distribution (SSA will do work)	4,133	18,842	3,022	0	0		25,997
	T5 Reefer Refrigerated Container Receptacles (SSA will do work) (became U00718)	0	1	0	0	0		1
	T5 Roof Replacements	154	1,838	738	0	0		2,730
	T5 Roof Replacements - Gatehouse (Combined to N10410)	0	59	461	71	0		591
	T5 Routine Condition Assessments	0	0	0	0	0	125	125
	T5 Safety Net Tie-downs	70	0	0	0	0	0	70
	T5 Stormwater System - Grant Funded (Ecology)	1	0	0	0	0		1
	T5 Stormwater Treatment System	2,439	681	0	0	0		3,120
	T5 Switch & Derailer Repair	80	0	0	0	0		80
	T5 Transit Shed Assessment	0	130	20	0	0	0	150
	T5 Transtainer Runs (SSA will do work)	1,461	0	0	0	0		1,461
T5 W Marginal Way SW Closure	899	2	0	0	0		901	

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
T5	T5 Berth Construction - Phase 2 (1,450' south)	8,545	14,479	0	0	0		23,024
	T5 Phase II Uplands Paving (SSA will do work)	292	14,338	13	0	0		14,643
T5 Total		31,215	87,338	26,610	961	200	325	146,649
T5 IM	T5 Intermodal Yard Improvements	4,628	153	0	0	0		4,781
	T5 IY Compressor Replacement	51	874	0	0	0		925
	T5 IY Improvement RESERVE - capital	150	38	0	0	0		188
T5 IM Total		4,830	1,065	0	0	0		5,895
T7	IHI 2078 Crane Surplus	0	1,200	0	0	0	0	1,200
	T7 Administration Building HVAC System Replacement	0	150	0	0	0		150
	T7 Berth C Cleat Replacement (HMT eligible)	132	125	0	0	0		257
	T7 Berth Sewer Lift Station Replacement	40	0	0	0	0		40
	T7 Security Enhancements	0	175	0	0	0	0	175
	T7 Warehouse Exhaust Ventilator Replacement	27	0	0	0	0		27
	Terminal 7ABC Maintenance Dredging (Design) (Potential HMT Eligible)	0	50	300	0	0		350
	Terminal 7D Maintenance Dredging (Design)	0	50	150	0	0		200
	T7 Infastructure repairs and improvements - (HMT Eligible)	54	1,200	14,226	15,000	15,000	6,419	51,899
T7 Total		254	2,950	14,676	15,000	15,000	6,419	54,299
TOTE	Terminal Building repairs or replacements - TOTE	0	500	0	0	0		500
	TOTE Berth Maintenance Dredging (HMT eligible)	225	1,600	0	0	0		1,825
	TOTE Clean Truck Program RFID (Domestic Terminals)	277	152	0	0	0		429
	TOTE Terminal Pavement Maintenance & Repair	0	550	0	0	0		550
	Tote Sandlot Improvements Dsgn	48	0	0	0	0		48
TOTE Total		550	2,802	0	0	0		3,352
Various locations	NWSA LED Conversion	1,900	1,519	344	0	0		3,763
	Wooden Light Pole Replacement Program	474	4,950	4,950	0	0		10,374
Various locations Total		2,374	6,469	5,294	0	0		14,137
W. Hylebos	West Hylebos Log Dock Repairs	0	0	250	1,250	0		1,500
W. Hylebos Total		0	0	250	1,250	0		1,500
W. Sitcum	W Sitcum (SSA) Clean Truck Program RFID (Domestic Terminals)	274	180	0	0	0		454
	West Sitcum Bldg. 950 Sewer Line Replacement	142	1,590	0	0	0		1,732
	West Sitcum Terminal Maintenance Dredging (Design)	0	50	350	0	0	0	400
	W. Sitcum Main Substations Replacement	156	2,112	700	0	0		2,968
	W Sitcum Terminal Wooden Light Pole Replacement (SSA will do the work)	0	7,000	0	0	0	0	7,000

DRAFT NWSA 2024 - 2029 CIP BUDGET (\$ thousands)

Location/ Dept	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-29 Budget
W. Sitcum	W. Sitcum 11th street improvement	0	620		0	0		620
W. Sitcum Total		572	11,552	1,050	0	0	0	13,174
WUT	Cascade Timber Environmental Cap Repair (parcel 30) (2024)	143	0	0	0	0		143
	Cascade Timber Environmental Cap Repair (parcel 30) (parent MID)	0	50	50	50	50	50	250
	Mooring System Study for WUT	59	0	0	0	0		59
	Murray Pacific Environmental Cap Repair (parcel 25) (2024)	248	0	0	0	0		248
	Murray Pacific Environmental Cap Repair (parcel 25) (parent MID)	0	250	250	250	250	250	1,250
	WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	742	1,600	54	0			2,396
	WUT Bollard Upgrades	0	350	3,518	3,518	0	0	7,386
	WUT Crane Load Evaluation	10	0	0	0	0		10
	WUT Maintenance Dredging (HMT eligible)	11	202	0	0	0		213
	WUT Shore Power Prelim Design (Moved into Design Phase)	564	1,312	180	0	0		2,056
WUT Total		1,776	3,764	4,052	3,818	300	300	14,011
Grand Total		85,624	\$ 169,799	\$ 144,732	\$ 108,352	\$ 46,364	\$ 12,099	\$ 566,970

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

THIS INTER-LOCAL AGREEMENT (“Agreement”) is entered into by and between the Port of Seattle, a Washington municipal corporation, (“POS”) and The Northwest Seaport Alliance, a Washington Port Public Development Authority (“NWSA”) (referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Chapter 53.57 RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, in order to improve efficiency in obtaining, the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POS desire to retain support services from one another pursuant to the terms and conditions contained herein; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW (the Inter-local Cooperation Act), to enter into this Inter-local agreement.

NOW, THEREFORE, the Parties agree as follows:

I. General Provisions for Support Services

A. Duration of this Agreement. Services to be provided under the terms of this Agreement will be provided during Calendar Year 2025. This Agreement and attached Service Directive exhibits are effective between January 1, 2025 and December 31, 2025. Subsequent Inter-Local Agreements for Support Services, if any, will be executed on an annual basis.

B. Services Provided. The NWSA and POS have agreed to provide support services to one another as defined in the Service Directive exhibits attached to this Agreement. Each Service Directive exhibit defines the scope of services, cost for services, charge methodology, and service level expectations for each service area to be provided. The NWSA and POS, in their respective sole discretion, may obtain the services under this Agreement from entities other than the Parties to this Agreement.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

C. Communications. Each Service Directive exhibit identifies the contact people for the Parties that will coordinate the work for each service area. It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

D. Employment, Policies and Procedures. During the term of this Agreement, individuals providing support services will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff providing support services will follow the policies and procedures of their respective employer in conducting the work.

E. Billing Rate and Procedures. The charge for services will be determined during the budget cycle for the coming fiscal year. Based on the type of support service and as reflected on each specific Service Directive exhibit, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.

F. Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

G. Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

H. Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.

I. Recording. Copies of this Agreement shall be posted to the web sites of the Parties.

J. Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

II. Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph III herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible Project Directors shall review the matter and use their best efforts to resolve it. If the Project Directors are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Interlocal Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

B. Controlling law & Venue. This Agreement shall be construed and enforced according to the laws of the State of Washington.

III. Notices

A. Contact Persons. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows unless otherwise indicated by the Parties to this Agreement:

NWSA:	David Morrison, Chief Financial Officer PO Box 2985 Tacoma, WA 98401-2985 egaleno@portoftacoma.com
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Port of Seattle:	Dan Thomas, Chief Financial Officer PO Box 1209 Seattle, WA 98111 thomas.d@portseattle.org
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B. Receipt. Notice shall be deemed "received" on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

IV. Indemnification and Hold Harmless

A. The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers.

B. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties' losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers.

C. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker's Compensation Act, RCW Title 51.

D. Both Parties recognize that this waiver was the subject of mutual negotiation. In the event any Party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

E. No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

F. Each Party agrees that it will include in any contract which is related to the work of this Agreement a provision requiring the contractor to defend, indemnify and hold harmless all the Parties to this Agreement against any claims arising out of or related to the work of the contractor.

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

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

V. Severability

If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

VI. Limits of Financial Obligations/Property ownership.

Except as provided above, each Party shall finance its own conduct of responsibilities under this Agreement. No ownership of property will transfer as a result of this Agreement.

VII. Entire Agreement/Amendment

This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Services to be provided and shall supersede all prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, _____.

Northwest Seaport Alliance

Port of Seattle

John Wolfe
Chief Executive Officer

Stephen P. Metruck
Executive Director

Date _____

Date _____

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

**Attached Support Service Directives for Calendar Year 2025
Support Service Agreement between NWSA and POS:**

- Exhibit 1 – Accounting, Finance, Treasury & Risk Management Support Services
- Exhibit 2 – Legal and Public Records Support Services
- Exhibit 3 – Information & Communication Technology and Security Support Services
- Exhibit 4 – External Relations Support Services
- Exhibit 5 – Portfolio Management Support Services
- Exhibit 6 – Capital Development Support Services
- Exhibit 7A – Port of Seattle Police Support Services
- Exhibit 7B – Security Support Services
- Exhibit 8 – Marine Maintenance Support Services
- Exhibit 9 – Central Procurement Office Support Services
- Exhibit 10 – Managing Member and Executive Support Services
- Exhibit 11 – Pier 69 Facilities Management Support Services
- Exhibit 12 – Environment and Sustainability Support Services
- Exhibit 13 – Tribal Coordination Support Services
- Exhibit 14 – Labor Relations Support Services
- Exhibit 15 – Additional Support Services as Needed
- Exhibit 16 – Equity, Diversity and Inclusion
- Exhibit 17 – Municipal, County, and State Use of NWSA-Licensed Property
- Exhibit 18 – North Harbor Customs and Border Patrol Facilities

EXHIBIT POS – 01

Service Directive for Accounting, Finance, Treasury, & Risk Management Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Accounting

- i) Prebilling tasks (such as balancing, reconciliation, review of billing data) for activity-based billings, i.e. utilities:
 - (1) Surety document maintenance (such as maintaining the original document onsite, quarterly reconciliation, and forwarding original document when needed for collection).

- ii) Accounts payable services for the NWSA for North Harbor activity , except for certain invoices managed by the NWSA using South Harbor resources.

- iii) Project accounting services to support project delivery for the NWSA.
 - (1) Project cost tracking and review of project costs for proper classification.
 - (2) Capitalization policy analysis and application to projects.
 - (3) Capital Project Spending reporting and comparison to budget, coordinate Cash Reimbursement for 50% of total project spending on monthly basis.

- iv) General accounting services for certain financial transactions associated with the NWSA:

- (1) In conjunction with POT, provide information, resources and expertise to ensure The NWSA is in compliance with Generally Accepted Accounting Principles, Government Accounting Standards and specific Accounting policies as developed by the NWSA.
- (2) Services to support external financial audit, single audit of financial reporting and compliance with policies and state and federal statutes.
- (3) Use tax (state) filing for items procured in North Harbor.

- v) Grant accounting services for NH federal and state grants:
 - (1) POS Accounting has provided and discussed grant compliance requirements with NWSA accounting in accordance with 2 CFR 200.331. Applies to grants where POS is grantee and NWSA is sub-recipient.

- b) Finance & Budget
 - i) Provide Operating Budget services to include:
 - (1) Partner with the NWSA and POS staff to compile North Harbor budget.

 - ii) Provide Capital Budget services:
 - (1) No capital budget services provided by POS to NWSA.

 - iii) Provide Financial Analysis Services to include:
 - (1) Business Development
 - (a) Review and provide feedback or suggestions on project analyses.
 - (b) Advise on bond restrictions for POS licensed facilities.

 - (2) Policy
 - (a) Work collaboratively on financial policy and procedure issues as initiated by any of the three entities or as required for NWSA function.

 - (3) Funding
 - (a) Assess fundability and funding options for NWSA decision on investments.
 - (b) Review and collaborate on long-term forecasting.
 - (c) Provide State Grant support for NWSA Lead and POS provides grant administration.
 - (d) Provide support services for project delivery between POS and NWSA for split funding due to environmental liabilities, authorization of projects with dual funding between NWSA and POS.

- c) Treasury
 - i) Provide Banking services, including but not limited to:

- (1) No routine banking services provided by POS to the NWSA, however, certain Accounting activities (see section 3, a, i, (1) and 3, a, ii) flow through POS main bank account.

- ii) Provide Investment services, including but not limited to:
 - (1) Invest the working capital liquidity fund for North Harbor projects.

- d) Risk Management
 - i) Provide risk management services to The NWSA for NWSA-licensed properties in King County and as requested. Scope includes negotiation/update of insurance policies; process claims; consult on risk management aspects of contracting.

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**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Accounting					
AFR Core Services Dept# 2210	3.a.iv	Standard	Charge based on the standard allocation.	2.61%	\$23,536
AFR Disbursements Dept# 2240	3.a.ii	Special	Based on support services and activities provided by staff to each operating division and NWSA.	1.00%	\$22,488
AFR General Accounting Dept# 2260	3.a.iv	Standard	Charge based on the standard allocation.	2.61%	\$73,465
AFR Capital Services Dept# 2290	3.a.iii & v	Special	Based on support services and activities provided by staff to each operating division and NWSA.	9.50%	\$172,670
Finance					
Finance & Budget Dept# 2100	3.b.i-iii	Special	Based on estimated support services provided by each staff to each operating division and NWSA.	4.17%	\$131,971
Maritime Finance & Budget Dept# 6210	3.b.i-iii	Special	Based on estimated support services provided by each staff to each operating division and NWSA.	12.5%	\$210,007

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

Environmental Finance Dept# 6211	3.b.i-iii	Special	Based on estimated support services provided by each staff to each operating division and NWSA.	1.67%	\$13,615
Treasury	3.c.ii	Special	Investments: Based on NWSA funds % share of POS PIF		Included in the cost allocation for Dept 2100
		Special	Banking: see Accounting/AFR Revenue and AFR Disbursements, 3, a, i and 3,a,ii, respectively		Included in the cost allocation for Dept 2100
Risk Management					
Risk Management Dept# 1330	3.d.i	Standard	Charge based on the standard allocation.	2.61%	\$29,956
Insurance Dept# 1335	3.d.i	Direct Charge	NWSA Insurance Premium		\$1,305,887
Insurance Dept# 1335	3.d.i	Direct Charge	Property & Liability Broker Contract		

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – The NWSA to POS

a) None.

7) Service Level Expectations:

- a) Before January 1, 2025, agreements will be made on desired standard report formats and frequencies.
- b) Accounting services will be provided on standard schedules consistent with, and coordinating with, POT and POS accounting schedules.

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

- c) Retention of key financial reports and information in compliance with state requirements.
d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Accounting – Accounts Payable	Management	<ol style="list-style-type: none"> 1. Public works contracts paid within statutory period. 2. Open payables over 60 days 3. Rec’d not invoiced report reconciled weekly 	<ol style="list-style-type: none"> 1. 100% 2. \$0 3. Resolved within 1 month
Accounting – Projects	Accuracy	<ol style="list-style-type: none"> 1. Project costs accurately reflected in the project subledger and reconciles to GL. 2. Project reviewed and analyzed for capital vs. expense accounting before spending begins, provided timely and complete Asset Plans are submitted to POS Accounting by the project management groups. 	<ol style="list-style-type: none"> 1. 100% 2. 100%

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POS – 01 - Service Directive:
Accounting, Finance, Treasury & Risk Management Support Services**

Accounting - General	Time Based	<ol style="list-style-type: none"> 1. Monthly Fin'l package avail <ol style="list-style-type: none"> a. NH data avail b. Cashflow avail c. NH data avail 2. Annual audited financial statements avail. 	<ol style="list-style-type: none"> 1. 13th bus day <ol style="list-style-type: none"> a. 8th bus day b. 9th bus day c. 10th bus day 2. April 30th
Accounting – Grants	Accuracy	<ol style="list-style-type: none"> 1. Audit Findings 	<ol style="list-style-type: none"> 1. 0
Finance – Budget	Time Based	<ol style="list-style-type: none"> 1. Provide North Harbor budget information by agreed upon dates 	<ol style="list-style-type: none"> 1. (date updated annually)
Finance – Financial Analysis	Time Based	<ol style="list-style-type: none"> 1. Provide timely response and feedback regarding NWSA analyses, policies, or procedures. 	<ol style="list-style-type: none"> 1. Timely
Treasury – Investments	Management	<ol style="list-style-type: none"> 1. Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order. 	<ol style="list-style-type: none"> 1. 100% compliance

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Dan Thomas

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 02
Service Directive for Legal Services
by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1. Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2. Time period:

This agreement is for calendar year 2025.

3. Scope of Services to be provided by POS to The NWSA

a) Legal Services

- i) Provide legal services to The NWSA associated with NWSA-licensed properties, contracts, projects managed in the North Harbor. Coordinate with NWSA legal support and outside counsel. The major areas POS attorneys will possibly cover include: public works, construction, land use, and environmental matters for the NWSA.
- ii) Provide legal services for project-specific environmental matters, litigation, specific claims, focused contract negotiations, etc.
- iii) In collaboration with NWSA in-house counsel, assist in coordinating services of outside counsel as appropriate.
- iv) Provide POS portion of state-mandated NWSA records management, and support for NWSA PDR requests.

4. Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Attorney Services Dept# 1310	3.a.i-iii	Standard	Charge based on the standard allocation.	2.61%	\$14,585
		Direct Charge	T5 Construction (Dock Upgrade) including potential litigation (budgeted in T5 project), T5 Permitting.		\$127,500

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5. Scope of Services to be provided by The NWSA to POS

- a) None.

6. Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7. Service Level Expectations:

- a) To Be Determined.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8. Primary Contacts:

- a) NWSA – Dana Henderson

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

b) POS – Pete Ramels

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS - 03

**Service Directive for Information & Communication Technology and Security Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Information Technology

- i) Provide technology for the POS support service groups that will be providing services to the NWSA. This may include (but is not limited to): MAXIMO, CAD, Police Systems (including 911 dispatch), Financial Systems, Project Delivery System, Construction Document Management System, Contractor Management Systems, Debt Management System, Emergency Communications, Engineering Archives, Access Control ID Badge, and GIS, as well as PC, desktop software and technology infrastructure support for those groups that are providing support to the NWSA.
- ii) Miscellaneous service requests or new Port owned equipment or software outside of services specifically listed in (i) will be charged on a time and materials basis.

b) Information Security

- i) Provide cyber security protection, detection, and response services and business continuity and disaster recovery programs for the POS support service groups that will be providing services to the NWSA. This may include (but is not limited to): MAXIMO, CAD, Police Systems (including 911 dispatch), Financial Systems, Project Delivery System, Construction Document Management System, Contractor Management Systems, Debt Management System, Emergency Communications, Engineering Archives, Access Control ID Badge, and GIS, as well as PC, desktop

**EXHIBIT POS - 03 - Service Directive:
Information & Communication Technology and Security Support Services**

software and technology infrastructure support for those groups that are providing support to the NWSA.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Indirect Technology Support. Charges for POS service providers using technology while working for NWSA. Dept# 1910	3.a.i	Special. ICT costs are allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	PC Counts for Infrastructure, PC Support and Service Desk. Systems Support Costs for Business Applications.	2.84%	\$294,783
Dept# 1936		Special. (see above)	See above.	2.41%	\$143,961
Dept# 1970		Special. (see above)	See above.	3.16%	\$455,480
Direct Support Dept# 1910	3.a.ii	Direct Charge	Service requests or additional equipment requested from NWSA staff for miscellaneous IT services while they are at P69, or accessing Port of Seattle systems.	Time and materials	\$0

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS - 03 - Service Directive:
Information & Communication Technology and Security Support Services**

Indirect Information Security Support. Charges for POS service providers while working for NWSA. Dept #1980	3. b.i	Special. Costs are allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	PC Counts	2.95%	\$79,677
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5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) To Be Determined
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure. The POS technology ticketing system, Freshservice, should be used to ensure visibility regarding an outage or service issue.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS Information Technology – Matt Breed / Krista Sadler

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS - 04
Service Directive for External Relations Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Government Relations

- i) Represents the NWSA's legislative and transportation planning interests with local officials and staff and tribal governments in King County in collaboration with NWSA Government Affairs and Planning staff.

b) Community Relations

- i) Establish and maintain NWSA relationship with community organizations in King County to build support for the NWSA's mission and activities.

c) Communications

- i) Helps represent the NWSA to media.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
External Relations Dept# 1420	3.a	Special	External Relations will provide services to The Northwest Seaport Alliance (NWSA) on issues and projects where the unique knowledge, capabilities and relationships of the POS homeport staff are essential to advancing NWSA business priorities and the Port of Seattle's Century Agenda objectives. The cost allocation is based on the estimated staff time supporting each operating division and the NWSA.	2.59%	\$266,993

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) External Relations will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Government Relations	Management	Develop annual legislative agenda for MM to approve and make sufficient progress toward achieving goals within.	Sufficient Progress
Community Relations	Management	Develop annual community outreach plan and make sufficient progress toward achieving goals within. NWSA staff will serve as the lead for the NWSA Annual Breakfast as well as any unplanned NWSA events in the North harbor.	Sufficient Progress

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

Communications	Management	Assist in response to media requests in timely and professional manner. The POS maritime media officer will work alongside NWSA Communications on issues residing in the North harbor. POS staff will provide maritime clips to all commissioners and appropriate staff.	Timely
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8) Primary Contacts:

- a) NWSA – Ryan McFarland/Melanie Stambaugh
- b) POS – Pearse Edwards

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending. Port of Seattle Government Relations staff performing transportation planning service also will coordinate directly with NWSA’s Senior Planning Manager, as appropriate.

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EXHIBIT POS - 05

Service Directive for Portfolio Management Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between the Port of Seattle and The Northwest Seaport Alliance with regard to the Support Services listed above. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Utility, Street Use Permit & Miscellaneous Charges:

- i) For NWSA-licensed properties in King County, POS staff will coordinate with utility billing/invoicing, and current routine reporting for accounts that may not be put in the NWSA's name and must remain in the name of the property owner. Such accounts include but are not limited to street use permits, King County noxious weed, and environmental charges associated with property taxes, water, and sewer accounts.
- ii) For NWSA-licensed properties in King County, for utility meters and sub-meters managed by POS but also servicing NWSA licensed property, POS staff will read meters and provide tenant and/or NWSA reimbursements as necessary.
- iii) Additional utility administration to include, calculate utility rates including service charges and communicate revised rates to the NWSA; assistance with utility account transitions and on-going utility account coordination; upon receipt of electronic copy of any new NWSA lease, license agreement or amendment, set-up or amend the Stormwater utility billing to be direct billed by the POS Stormwater Utility to NWSA tenants.

4) Scope of Services to be provided by The NWSA to POS

a) Utility and Lease and Data Reporting Services:

- i) Provide electronic copies of all NWSA leases, license agreements and their amendments to POS to set-up or revise stormwater billing rules and collection assistance for delinquent stormwater utility accounts servicing NWSA tenants.
- ii) Provide utility account information to POS upon request for purposes of, but not limited to, calculating annual rates, tracking property accounts and any utility data required for energy management reporting as necessary and assistance with utility account transitions and on-going utility account coordination.
- iii) Provide cargo reporting services related to the POS grain terminal lease billing terms and conditions including monthly tracking and reporting of actual grain volumes by vessel reported to POS and research on crop and trade assumptions used for forecasting.

b) Third-party Agreements:

- i) Provide management of NWSA third-party agreements located within the Terminal 46 POS premises.

Note: these services are not new and have been ongoing since the inception of the NWSA.

5) Cost for Service and Charge Methodology – POS to The NWSA and NWSA to POS

There shall be no charge for the services contemplated in this Service Directive. POS and NWSA agree that the scope of services provided to each entity is of comparable time and value. Therefore, POS and NWSA will exchange these services in lieu of a monetary cost.

6) Service Level Expectations:

a) Timely and accurate.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

**EXHIBIT POS - 05 - Service Directive:
Portfolio Management Support Services**

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Utilities and Lease Administration	Time-Based	Utility providers, SDOT and tax related fees are paid in a timely manner. Rate changes are provided to the NWSA in a timely manner.	N/A
Cargo Volume Reporting, Utilities, Lease Management	Time-Based	Provide reports relied upon by POS to confirm budget, billings and utility data. Lease Management of NWSA third-party Agreements. Agreements and utility documentation transmitted to the POS in a timely manner.	N/A

7) Primary Contacts:

- a) NWSA – Jim Vo, Director Real Estate Asset Management
- b) POS –Jennifer Maietta, Director Real Estate Asset Management

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¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POS - 06

Service Directive for Capital Development Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Engineering (ENG) (Design, Construction Management, Survey)

i) POS staff may support The NWSA with engineering services for projects in King County. Services include Engineering Design, Tenant Improvement Request reviews, Construction Management & Construction Labor/Workforce, Construction Safety, Survey, Mapping & Utility Locating, and support for professional and public works contract procurement and execution of change orders. POS staff may also support NWSA owner/facilities needs and functions for properties in King County.

b) Port Construction Services (PCS)

i) NWSA may contract with Port Construction Services for small works construction services at NWSA-licensed properties in King County.

c) Waterfront Project Management (WPMG)

i) POS staff may support The NWSA with project delivery and program management for NWSA projects in King County. Services for projects start with capital planning and budgeting of new projects. WPMG project delivery processes include the following phases: initiation, planning, design, execution, any grant related work, grant administration, and closeout.

**EXHIBIT POS - 06 - Service Directive:
Capital Development Support Services**

d) POS staff will provide capital development and project delivery services in accordance with the POS/NWSA Project Delivery Agreement. The Project Delivery Agreement will be reviewed annually as part of this Inter-Local Agreement Exhibit.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Engineering Dept# O1600	3.a	Project Charge / Direct Charge (no project number)	Expense Projects & Project Costing overhead Service requests for miscellaneous services such as facility evaluations and assessments, business planning support, field survey, mapping and utility locate, Tenant Improvement submittal reviews and unexpected permit support	Time and materials	\$249,926
	3.a	Special	Based on support services and activities provided by staff to each operating division and NWSA.	7.87% (pending CIP confirmation)	\$724,617 (pending CIP confirmation)
Port Construction Services Dept #1700	3.b	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		\$0

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS - 06 - Service Directive:
Capital Development Support Services**

	3.b	Special	Based on support services and activities provided by staff to each operating division and NWSA.	1.70%	\$38,397
PCS Direct Support Dept# 1700	3.a	Direct Charge	Service requests for miscellaneous services such as Tenant Improvement submittal reviews and unexpected permit support.	Time and materials	\$0
Waterfront Project Management Dept #6260	3.c	Project Charge / Direct Charge (no project number)	Expense Projects and Direct Charges & Direct Charge Markup Exp. Service requests for miscellaneous services such as Tenant Improvement submittal reviews and unexpected permit support.	Time and materials	\$663,541
	3.c	Special	Based on support services and activities provided by staff to each operating division and NWSA.	38.56%	\$817,160

**Amounts identified in this table reflect only the Operating Budget and do not include the Capital Budget spending.*

5) Scope of Services to be provided by The NWSA to POS

a) None

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

- a) Will provide any necessary services to the NWSA.
- b) NWSA staff will abide by the Project Delivery Agreement in supporting overall delivery of projects and programs.
- c) Approval: All services provided by POS for the NWSA shall be approved and authorized by the NWSA. The NWSA Master Policy (Delegation of Authority) is the controlling document for authorization of projects.

d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Conformance with appropriate and applicable policies and procedures	Management	Projects appropriately authorized and work completed in accordance with appropriate policies and procedures	0 Deficiencies reported on the Compliance Report
Scope	Accuracy	Project definitions, as defined in the basis of design or 30% design documents, are accurate and complete	Properly documented
Budget	Accuracy	Projects are completed within authorized amounts	Project spending does not exceed current authorization
Schedule	Accuracy	Work is delivered on time	Schedules are developed and agreed to by all parties

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – Thais Howard
- b) POS:
 - i) Engineering – Janice Zahn & Vy Donnelly
 - ii) Project Management – Tin Nguyen & Renu Patten
 - iii) Port Construction Services – Jermaine Murray & Christopher Clemetson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS – 07A

Service Directive for Port of Seattle Police Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Port of Seattle Police

i) The NWSA will contract with POS Port Police for services at NWSA-licensed properties in King County, which include:

- (1) Terminal 5
- (2) Terminal 10
- (3) Terminal 18
- (4) Terminal 46
- (5) Terminal 30
- (6) Terminal 25
- (7) Terminal 103
- (8) Terminal 104
- (9) Terminal 106
- (10) Terminal 107
- (11) Terminal 108
- (12) Terminal 115

ii) Services include, but are not limited to:

- (1) General Patrol
- (2) Traffic Management

- (3) Incident Response
- (4) Crowd Management
- (5) Community Participation
- (6) Itinerant trespassing

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Police Dept# 4300	3.a	Special	The overall Allocation was based on hours assigned to particular units. Hours are provided from the Police scheduling system and Police CAD system from June 30, 2022 through June 30, 2023. Breakdown of allocation to Maritime units was determined from calls for service to specific properties.	3.46%	\$1,451,357

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) Port of Seattle Police will provide any necessary services to the NWSA.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
General Patrol	Time Based	Daily frequency	3x / day
Traffic mgmt	Management	On Call	Until trucks clear
Incident response	Management	On Call	Until resolved
Crowd Mgmt	Management	On Call	Until resolved
Community mtg participation	Management	On Call	Attend
Itinerant	Time Based	Contact and referral to City	Within 24 hours

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

Intervention			
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8) Primary Contacts:

- a) NWSA – Don Esterbrook
- b) POS – Michael Villa, Mark Thomas

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS – 7B

Service Directive for Security Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA) for Calendar Year 2025.

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services and Costs for Service:

a) Security Support Services to be provided by POS to The NWSA include the following:

- i. POS will manage contract security services as needed at NWSA-licensed properties in King County. Those contract security charges will be billed to NWSA.
- ii. Maintain compliance with the Maritime Transportation Security Act (MTSA) at all properties.
- iii. Maintain security personnel services for properties to provide for the protection of the asset from theft, vandalism, and other criminal activities.
- iv. Maintain security personnel services and U.S. Coast Guard required Facility Security Plan (FSP) for properties to maintain compliance with MTSA and applicable laws, regulations, policies, and procedures.

- v. Provide emergency management services to ensure continuity of operations, mitigation of hazards and coordinated responses to planned and unplanned emergent/emergency events.
- vi. Maintain liaison with Federal, State, County, City and other governmental and law enforcement agencies for legal/regulatory compliance and emergency management, to include act as representative for Maritime Security Committees.
- vii. Maintain the ability of the facilities to communicate effectively on the Port of Seattle Radio System through radios provide by the Port of Seattle and operated through a Memorandum of Agreement with the tenants as part of the emergency management and security program.
- viii. Coordinate drills and exercises of security plans and emergency management activities with all Port of Seattle Maritime Properties and the appropriate federal, state, and local authorities in order to maintain regulatory/legal requirements and operational readiness.
- ix. Represent the Port of Seattle and all Maritime properties and activities at the U.S. Coast Guard Area Maritime Security Committee.
- x. Represent Washington State Public Ports on the Puget Sound Harbor Safety Committee.
- xi. Where appropriate, maintain Port of Seattle access control program and infrastructure for access to facilities in compliance with U.S. Coast Guard regulations.
- xii. Where appropriate, maintain Port of Seattle video surveillance program and infrastructure for video surveillance of Port of Seattle properties.
- xiii. Maintain Port of Seattle 24 hour a day, 7 day a week Duty Officer response telephone number for security and emergencies (206) 787-3688.
- xiv. Where appropriate, provide safety, security and emergency management training for Port of Seattle personnel, contractors, vendors, and tenants.
- xv. Where appropriate, maintain the Port of Seattle TWIC program for maritime facilities.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Contract Security Services (Maritime Security) Dept# 6910	3.a	Direct Charges	Budget/Actual expenditures for contract security at NWSA-licensed properties.		\$575,078
	3.a	Special	Variable Driven Charge allocation for department expense	26.04%	\$131,273

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Contract Security Services to be provided by The NWSA to POS:

- a) Contract security guard services at Terminal 46 to provide for perimeter security, deterrence of theft, vandalism, criminal activity in the preservation of the value of the asset, and compliance with USCG MTSA requirements.
- b) Contract security guard services at other NWSA facilities not occupied by a tenant to prevent theft, vandalism, and criminal activity in the preservation of the value of the asset, and compliance with USCG MTSA requirements as applicable.

6) Service Level Expectations:

- a) Monthly billing statements for security personnel to be provided by the Port of Seattle Maritime Security program to the NWSA for services provided.
- b) The Port of Seattle provides 24 hour a day, 7 days a week security and emergency response via the Maritime Duty Officer telephone number (206) 787-3688.
- c) Other service level expectations to be determined as needed.

7) Primary Contacts:

- a) NWSA – Don Esterbrook
- b) POS – Russ Read

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS - 08
Service Directive for Marine Maintenance Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Marine Maintenance

- i) The NWSA will contract with POS Marine Maintenance for facility maintenance services at NWSA license properties in King County.
- ii) Other to be determined.

b) POS Vehicle Use by NWSA Approved Staff

- i) The NWSA shall indemnify the Port of Seattle for all damages, claims, or injuries resulting from the use of a Port vehicle. The Port self-insures its fleet for liability (damages for property or bodily injury we owe to an injured party) and physical damage to the fleet. All damages, whether to the vehicle itself or paid to an injured third party - that result from when a NWSA driver is using a Port vehicle, shall be indemnified back to the Port, by the NWSA. If a third-party driver (not the NWSA driver) is liable for damages to the Port (i.e. Port is injured party), the Port will recover damages that it's owed from the liable third party to the extent possible. However, any damages not recovered will be reimbursed to the Port from the NWSA. The Port recognizes that the NWSA has vehicle or auto insurance however that insurance applies on an excess basis to all vehicles other than those owned by the NWSA. The vehicles who NWSA will be driving are Port owned and self-insured by the Port. However, regardless of whether the NWSA has insurance that applies to pay for

damages, it's the responsibility of the NWSA to indemnify the Port for any and all damages incurred while a NWSA driver is driving a Port vehicle. The lack of insurance or an exclusion in a NWSA auto/vehicle policy of insurance does not override the NWSA's responsibility to pay for all damages that result from use of a Port vehicle.

- ii) All NWSA staff who operate POS vehicles assigned to Terminal 46 shall meet the following criteria and conform to the following processes. NWSA drivers shall:
1. Have passed scrutiny of the POS Risk Management department (Driving Abstract, EX-14 read and sign) prior to using POS vehicles.
 2. Maintain a valid Washington State driver license.
 3. Notify POS Risk Management and POS Marine Maintenance Fleet and Transportation Manager in the event of any collision, vandalism/damage, or any moving or parking violations, as they occur.
 4. Use POS vehicles only for NWSA business purposes, no personal use is permitted.
 5. Not use POS vehicles overnight, out of state, or park overnight anywhere other than Terminal 46 without prior written approval by POS Risk Management.
 6. Log every use of POS vehicles, and provide those logs to the MM Fleet and Transportation Manager monthly.
 7. Report any vehicle defects immediately to the MM Fleet and Transportation Manager or their identified support staff.
 8. Not operate any POS vehicle that is suspected of having a mechanical or safety issue, or that has warning lights illuminated in the dashboard.
 9. Not loan POS vehicles to contractors, sub-contractors, interns, or other staff who have not been approved to operate POS vehicles by POS Risk Management.

**EXHIBIT POS - 08 - Service Directive:
Marine Maintenance Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2025 Budgeted Amount ²
Marine Maintenance Dept# O6280	3.a	Project Charges	Project and other work as budgeted in 2025 Operating Budget. Actual charges will be for actual projects and work performed.		\$1,461,166
	3.a	Special	To be based on historical 5Y proportion of actual spending of work performed for NWSA, Maritime, Stormwater, and Economic Development Divisions.	16.10%	\$3,277,143
NWSA Mitigation Parks Dept# 6114	3.a	Special	Project and other work as budgeted in 2025 Operating Budget. Actual charges will be for actual projects and work performed.	100%	\$168,041

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – The NWSA to POS

- a) None.

7) Service Level Expectations:

- a) To be determined.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8) Primary Contacts:

- a) NWSA – Don Esterbrook
- b) POS – Delmas Whittaker

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS - 09

Service Directive for Central Procurement Office Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA in the North Harbor

a) Central Procurement

- i) Provide procurement services associated with NWSA projects managed through POS system in King County.
- ii) The NWSA Chief Executive Officer delegates authority to Port of Seattle's Director of Central Procurement Office to execute contracts, change orders, work authorizations, service directives, and Job Order Contract Work Orders on behalf of and as an agent for NWSA for NWSA contracts managed by Port of Seattle staff. The NWSA Delegation of Authority Master Policy applies to all NWSA contracts and projects, including any NWSA contract managed by Port of Seattle staff.

**EXHIBIT POS - 09 - Service Directive:
Central Procurement Office Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage Fixed Amount, or Formula	2025 Budgeted Amount ²
CPO Construction (purchasing/consulting if related to projects) Dept# 1680	3.a	Standard	Use Project Costing Charge first. The vast amount of our work is Capital with some Expense.	2.61%	\$19,664
Central Procurement Office Dept# 9205	3.a	Standard	Charge based on the standard allocation.	2.61%	\$199,233

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) With the Port of Seattle’s Director of Central Procurement Office written concurrence, The NWSA may use South Harbor procurement capability for North Harbor needs if the needs of the NWSA requires work to be managed by the NWSA. This will only apply to work managed by NWSA staff.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) Service will be provided as needed where POS Central Procurement Office can aid and assist Alliance efforts through direct procurements, allowing use of POS contracts or working collectively on mutual procurements, and emergent needs.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area		Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Services (includes Professional, Personal, and Purchased services as well as the purchase of goods) related to Public Works Projects		Provide services related to Public Works based on a mutually agreed upon schedule where staffing availability, existing contracts, and procurement efficiencies can be realized in both Harbors regarding Alliance initiatives impacting both Harbors. Prior to engaging in work in either Harbor, the home port shall have first right of refusal.	Meet mutually agreed upon schedule 80% of the time.

**EXHIBIT POS - 09 - Service Directive:
Central Procurement Office Support Services**

Services (includes Professional, Personal, and Purchased services as well as the purchase of goods)		Provide services based on a mutually agreed upon schedule where staffing availability, existing contracts, and procurement efficiencies can be realized in both Harbors. This does not include normal MRO and routine warehouse stock replenishment conducted by Storekeepers and Maintenance staff.	Meet mutually agreed upon schedule 80% of the time.
Public Works Projects		Provide Public Works based on a mutually agreed schedule. Construction will remain the responsibility of the Home Port unless work is managed by the NWSA.	Meet mutually agreed upon schedule 80% of the time.

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Sofia Mayo

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

**EXHIBIT POS - 10
Service Directive for Managing Member/Commission Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Managing Member/Commission Support

- i) The PDA shall be governed by its Managing Members who will carry out the provisions of RCW 53.08 by overseeing the business of the PDA, setting policy and strategic direction for the NWSA in both internal and external matters and provide for their implementation.
- ii) The Managing Members shall meet at least quarterly and may hold executive sessions to consider matters enumerated in RCW 42.30 or privileged matters recognized by law. POS will provide the NWSA with use of the commission chambers, conference center, and common use space at Pier 69 and the Airport for Managing Member meetings at no cost. This will include providing parking access for Managing Member Meetings.
- iii) Oversee The Northwest Seaport Alliance Charter and other formation documents.
(1) Costs include commission salary, benefits, and major community memberships.
- iv) Commission travel for NWSA business will be included in the NWSA Commission Department budget and actuals.
- v) POS Commission staff will coordinate closely with NWSA staff to provide support for NWSA Managing Member meeting coordination.

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services-Revised effective May 2, 2025**

vi) POS Commission staff will coordinate closely with NWSA staff to provide weekly support for issues management, scheduling, travel arrangements and production of briefings, outreach materials, event support, document signatures and other emergent activities as necessary.

b) NWSA specific travel

i) Commission travel for NWSA business not paid for directly by the NWSA will be direct charged to the NWSA.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2025 Budgeted Amount ²
Commission Office Dept #1200	3.a	Fixed Amount	Based upon agreed amount of \$250,000 per year.		\$250,000
	3.b	Direct	NWSA specific travel expenses paid by NWSA	Actual	TBD

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

a) Will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Managing Member Support	Other	Managing Member administrative support such as calendaring, briefings, materials dissemination, travel, policy and media coordination.	Weekly coordination

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services-Revised effective May 2, 2025

Managing Member – Meeting Frequency	Other	Managing Member shall meet at least quarterly and may hold executive sessions to oversee the business of the PDA, set policy and strategic direction for the NWSA.	At least Quarterly
Managing Member – Compliance	Other	Managing Member will carry out the provisions of the PDA in RCW 53.08 and RCW 42.30.	100% compliance
Managing Member – Meeting Attendance	Other	Three or more commissioners from each homeport present at Managing Member meetings.	100% of MM Meetings

8) Primary Contacts:

- a) NWSA – Leilani Berinobis
- b) POS – Aaron Pritchard

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POS - 11

Service Directive for Pier 69 Facilities Management Support Services

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Pier 69 Facilities Management

- i) POS will provide fully serviced office space, conference space and common use space for those POS service groups housed at Pier 69 that provide services to NWSA. POS will provide three (3) hotel desks at Pier 69 for occasional use by NWSA staff.
- ii) POS will provide the NWSA with use of the commission chambers, conference center, and common use space at Pier 69.
- iii) POS will provide NWSA employees visiting Pier 69 with parking access at the Bell Street Garage.

**EXHIBIT POS - 11 - Service Directive:
Pier 69 Facilities Management Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Pier 69 Facilities Management Dept #2510	3.a	Special	Allocation based on corporate allocations for some larger departments, and default corporate allocations for others, of office space occupied by Central Services groups. Allocation based on Operating and maintenance cost only, not capital improvements	3.45%	\$47,916

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Corporate Percentage (Fixed) allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage (Variable by budget organization but fixed for the year)– Charges will be tracked and charged based on a fixed percentage as determined by the level of service.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

- a) None.

7) Service Level Expectations:

- a) Pier 69 Facilities Management will provide NWSA with the same high level of service it provides to the POS.
- b) POS employees and NWSA employees visiting Pier 69 will be subject to the same policies and procedures with respect to requesting and receiving facility management services.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Teresa Cook

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS - 12

**Service Directive for Environmental Services & Planning Support
Services by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle Maritime Environment and Sustainability department staff (POS staff) with regard to Support Services listed in the title for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Environmental Services Administration

- i) Overall administration of environmental programs that support coordination with and delivery of services to NWSA.

b) Environment, Planning & Sustainability Services

Core Services to be provided by POS to NWSA

POS staff provides a range of tactical environmental and sustainability services to NWSA that are necessary for maintaining our collective “license to operate.” These services include:

- i) Programmatic permit development and administration. Develop and secure programmatic permits that benefit NWSA projects. These include programmatic permits for pile systems repair and maintenance, shoreline stabilization, maintenance dredging, stormwater outfalls, etc.
- ii) General compliance. Prepare required permit compliance manuals and establish protocol and triggers for project reporting. Maintain SharePoint workflows and Permit Compliance Tracking System (LocusTech).
- iii) SEPA administration (lead agency). Provide administration to run SEPA and NEPA review for capital and expense projects (billed time to each project) and at the request of a NWSA for tenant projects (direct charge).

- iv) Agency and stakeholder communication/consultations. Respond to calls and requests for information outside of a specific capital project (bill time to project).
- v) Tribal relationships, engagement, negotiations. Maintain excellent working relationships with Treaty-tribes and support negotiations related to in-water work for NWSA projects.
- vi) Lease reviews. Review leases and other transaction documents to ensure compliance with regulations, Port policies, environmental “best practices”, and agreements.
- vii) US Coast Guard Expansion. Provide assistance and advocacy, including internal and Coast Guard coordination, SEPA/NEPA comments, and responses to information requests. If there is additional support necessary, we will setup a separate project and agreement (bill time to project).
- viii) Contract Procurement/Management . Procure and manage contracts needed to ensure that a full range of environmental services are available to support NWSA projects as needed.
- ix) WRDA coordination. Meet with USACE staff regularly to review status of all current and future NWSA projects in the North Harbor and maintain relationships that ensure a high level of service under WRDA.
- x) Nuisance wildlife management. Provide on-call service for NWSA properties to address wildlife related problems and respond to and addresses issues that include but are not limited to osprey nests on utility poles, racoons in catch basins, peregrine falcons in warehouses, removal of deceased marine mammals, and terns nesting on rooftops.
- xi) Spill response. Provide 24/7 on-call spill response for NWSA properties.
- xii) Derelict vessel response. Provide 24/7 on-call service to respond to derelict vessels that exist at or threaten NWSA facilities.
- xiii) Hazardous material response. Provide hazardous material assessment, illicit discharge response, and manage hazardous material disposal on NWSA projects when needed.
- xiv) Regulatory expertise and relationships. Provide expertise and relationships related to regulations, policies, procedures and staff at the following agencies/tribes: Seattle Department of Construction and Inspection; Seattle Office of Planning and Community Development; Seattle Department of Transportation; Seattle City Light; Seattle Public Utilities; Seattle City Council; Seattle Office of the Waterfront; Seattle Mayor’s Office; King County Department of Permitting & Environmental Review; U.S. Army Corps of Engineers; Washington State Departments of Ecology, Natural Resources, and Fish & Wildlife; NOAA/National Marine Fisheries Service; US Fish & Wildlife Service; Environmental Protection Agency; Dredged Material Management Office; Suquamish Tribe; Muckleshoot Indian Tribe.

xv) Common coordination:

If requested by the NWSA, and agreed to by POS additional POS staff time could be spent on NWSA actions for work outside of the common strategy development and beyond requirements.

The actual costs (based on analysis of work activities, staff and consultant contracting time) will be covered by NWSA, applied to the project with approvals by the project lead. (no additional costs in this ILA)

xvi) Project delivery. All project costs including permit fees, staff time, and outside services required for permit acquisition will be tracked and charged to the individual project. Non-capital project environmental services will be covered by the allocation in the table below.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from SD title)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2025 Budgeted Amount ²
Maritime Environmental Services Dept #1350	3	Fixed Amount	Percentage of committed amount	Fixed	\$100,000
	3	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		\$XX. Should be expected amount from CIP
Direct Support Dept# 1350	3	Direct Charge	Service requests for miscellaneous services such as Tenant Improvement submittal reviews and unexpected permit support.	Time and materials	\$0

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.

- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**** In 2024, the Port of Seattle and the NWSA agreed that the total fixed amount for orgs 1350, would be \$100,000 The fixed cost does not include project specific charges based on the CIP nor emergent issues that will direct charged.***

**** Amounts identified in this table reflect only the Operating Budget and do not include the Capital Budget spending.***

Payment for services

POS and NWSA acknowledge that services described in the scope of services entail direct and indirect costs to provide. These costs will be transacted between POS and NWSA in a manner that is proportionate to the level of service provided by either entity, as follows:

- a. In 2025 and going forward, NWSA will provide a fixed amount to POS of \$106,000 for the core environmental services identified in item (3), adjusted annually for inflation. This reflects an accurate accounting of the services received by NWSA in relation to the actual cost to provide them. This does not include direct charges to capital programs or projects. In future years, if NWSA consistently requires additional services not included in item (3), POS and NWSA will work collaboratively to estimate the cost of the additional services and adjust the fixed fee accordingly through a new or amended agreement.
- b. In 2025 and going forward, POS will provide funding for any services requested of NWSA on a case-by-case basis. Such services and the method of payment will require mutual agreement, transacted either through direct charges to POS subclasses or projects, or through special agreements for that purpose, based on current billable rates for NWSA.
- c. Specific service requests made pursuant to item (5) will be negotiated on a case-by-case basis. Such services and the method of payment will require mutual agreement, transacted either through direct charges to POS or NWSA subclasses or projects (depending on who is receiving service), or through special agreements for that purpose, based on current billable rates.

Coordination of activities which are of mutual interest but outside of the core services

In addition to activities in item (3) above, POS and NWSA routinely coordinate activities related to regional environmental initiatives, strategies, and programs, at their own cost. This coordination includes sharing of data, collaborative strategy development, and ensuring alignment between NWSA and POS environmental programs. Time spent on these coordinated

activities is typically staffed and funded individually by POS and NWSA. These activities include but are not limited to:

- Northwest Ports Clean Air Strategy implementation
- Seattle Waterfront Clean Energy Strategy planning and implementation
- Emissions accounting and joint reporting
- Grant coordination, funding and public and private partnerships
- Southern Resident Killer Whale (SRKW) Orca Recovery efforts

- International and domestic engagement on shared policy issues
- Resiliency and hazard mitigation planning
- Negotiation/coordination with Muckleshoot Indian Tribe and Suquamish Tribe
- Land use planning such as feasibility studies, development proposals, city and regional regulatory or policy changes
- Economic Impact Analysis
- 2025 Industrial stormwater general permit programs and compliance

POS or NWSA may request additional staff time and resources to be allocated to the above-mentioned (or other) activities that exceeds normal “coordination.” In such case, if mutually agreed, the costs of the additional staff time and resources will be borne by the entity receiving the additional services.

5) Scope of Services to be provided by The NWSA to POS

- a) It is anticipated that the following support will be provided by the NWSA environmental team:
 - i) NWSA has common interest in meeting POS and NWSA environmental goals established by the individual ports and the commonly managed properties under the NWSA. NWSA, POT & POS staff agree to coordinate closely on regional programs, sharing data, strategy development, and alignment of programs. Time spent on these programs are staffed and paid for by each organization, although collaboration and coordination of tasks will be required, and cost sharing may be agreed to. Programs of common coordination include, but are not limited to:
 - Northwest Ports Clean Air Strategy update
 - Emissions accounting
 - Awards programs including POS Environmental Excellence Awards and NWSA North Star Awards
 - SRKW Orca Recovery efforts
 - Grant coordination, funding and public and private partnerships

If requested by POS, and agreed to by NWSA, additional staff time could be

and beyond requirements. The actual costs (based on analysis of work activities, staff and consultant contracting time) will be covered by POS, applied to the project with approvals by the project lead.

6) Cost for Service and Charge Methodology – The NWSA to POS

Service Area and Department (Acct if appropriate)	Service Item (from SD title)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2021 Budgeted Amount
Environmental	5.a.i		As mutually agreed, to per text	Based on current billable rate	Undetermined – as needed basis

7) Partnership Expectations:

- a) POS and NWSA agree to:
 - i) Work cooperatively to share information
 - ii) Communicate on a regular basis via phone and meetings to keep each other apprised of issues of mutual interest
 - iii) Jointly decide level of engagement and participation
 - iv) Respond to each other’s requests in a timely manner
 - v) Raise any concerns or issues in a timely manner and work cooperatively to resolve

8) Primary Contacts:

- a) NWSA: Jason Jordan (Secondary: Mindi Kellar, Deirdre Wilson, Steve Nicolas)
- b) POS: Sarah Ogier (Secondary: Jon Sloan, Alex Adams, Jane Dewell, Mike DeSota)

It is expected that the identified contact people will communicate frequently to coordinate the work, to confirm that services are provided, and to evaluate financial performance.

EXHIBIT POS - 13
Service Directive for Tribal Coordination Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Tribal Coordination

- i) POS and NWSA staff will coordinate closely on tribal coordination, permits and negotiations affecting marine cargo projects.
- ii) POS staff will provide administrative and technical services in connection with Tribal Coordination activities to The NWSA.
- iii) Other to be determined.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2025 Budgeted Amount ²
Tribal Coordination Dept #0101	3.a	Fixed Amount	Agreements with Muckleshoot Indian Tribe and Suquamish Tribe. Actuals based on CPI increase during following year.		\$1,225,286 (for the tribal payments)

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

5) Scope of Services to be provided by The NWSA to POS

- a) Regular engagement with POS and recognized Tribal Communities concerning items of mutual interest to resolve problems, communicate ports development plans, receive tribal concurrence necessary for issuance of ACOE permits for port projects, coordinate vessel access to port facilities with tribal treaty fishing access needs, identify government to government opportunities that could result in mutual benefits and other reasons for maintaining and growing strong relationships between the ports and federally recognized tribes.
- b) See Exhibit POS-12 for additional relevant environmental services.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Tribal Coordination Agreements	Management	Receive tribal concurrence on ACOE permits.	Receipt within project schedule.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – Lindsay Wolpa
- b) POS – Jon Sloan

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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Additional Information

The Muckleshoot Indian Tribe, the Suquamish Tribe, POS, and NWSA share a common area of operations, including bay and channel areas throughout north and south Elliott Bay. Since 1995, Treaty tribes and the port have cooperated through a series of agreements, with the objective to avoid and minimize potential negative effects on Treaty-protected fishing access, in conjunction with cargo and passenger activities and infrastructure improvements at port marine terminal (and other) facilities.

Background

The Port of Seattle conducts government-to-government relations with the Muckleshoot Indian Tribe and Suquamish Tribe as federally recognized, Treaty-protected native sovereign nations.

POS long-term commitment to the Muckleshoot Indian Tribe and Suquamish Tribes relates to maintenance of usual and accustomed treaty fishing access adjacent to port marine terminal sites throughout Elliott Bay, the East and West waterways, and the Duwamish River.

Treaty tribe authority: The Muckleshoot Indian Tribe and the Suquamish Tribe have authority to exercise treaty-reserved fishing rights within their “usual and accustomed hunting and fishing areas” (U&A) in Elliott Bay, the East and West waterways in south Elliott Bay, and the Duwamish River. This includes two elements affecting port marine terminal facilities: (1) direct fishing access at marine terminal locations and (2) participation in federal decision-making for proposed port development that might affect treaty fishing access.

The tribes have treaty-reserved fishing rights in all areas required for navigational access to port facilities, so navigational and berth access to all port marine terminal facilities during fishing periods (generally August through January) must be accomplished without substantially impeding fishing activities.

Treaty tribes have equal decision-making authority with federal agencies, including the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, and Environmental Protection Agency, regarding authorizations required by the port for development, operation, and maintenance of marine cargo infrastructure. This authority also extends to federal Superfund cleanup determinations and natural resource damage and restoration requirements.

The Muckleshoot Indian Tribe and Suquamish Tribe and the port have worked to manage successful Treaty fishing access with marine cargo and passenger vessel access for many years. Experience indicates that pro-active actions taken to design, construct, and operate port facilities in a manner that avoids conflicts with Treaty fishing improves safety, reduces damage to fishing gear and vessels, allows for effective harvest, reduces the potential for delays in vessel arrivals

and departures, and reduces uncertainty for port-sponsored marine terminal development actions.

Since 1995 all capital Port of Seattle development and marine facility improvement projects, including Terminal 5, Terminal 18, Terminal 30, Terminal 91, and Terminal 115, have included agreements to compensate Treaty tribes for adverse “in-water” effects on Treaty fishing, in instances where displacement of fishing access could not be avoided or minimized. Compensation measures in most cases consisted of payments to the Muckleshoot Indian Tribe and Suquamish Tribe.

In addition, recent agreements with the Muckleshoot Indian Tribe and Suquamish Tribe have provided for coordination of fishing activities with marine terminal operations. During fishing periods, the tribes and the port have agreed on measures and funding for twenty-four-hour monitoring and management, to minimize potential disruption of net fishing, while allowing for movement of cargo and passenger vessels.

The POS and NWSA have a shared interest in continuing close coordination with both Tribes, including frequent engagement and careful attention to their treaty rights.

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EXHIBIT POS - 14
Service Directive for Labor Relations Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Labor Relations

- i) Management and negotiation of CBA and other labor relations activities for represented employees working for POS under service agreements to NWSA (eg: Marine Maintenance, Port Construction Services).

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2025 Budgeted Amount ²
Labor Relations Dept# 1810	3.a		Support for NWSA has been discontinued for 2025.		\$0

5) Scope of Services to be provided by The NWSA to POS

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Labor Relations will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer, and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Labor Relations	Management	Collective Bargaining Agreements are negotiated in a timely manner so as to avoid contract expiration (and potential lost productivity)	Agreements reached prior to contract expirations

8) Primary Contacts:

a) NWSA – Don Esterbrook

b) POS – Mikel O’Brien

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POS - 15
Service Directive for Additional Support Services as Needed
by and between
Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance, and vice versa. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS and The NWSA to Each Other

a) POS and The NWSA will provide miscellaneous additional support services as requested by one to the other. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2025 Budgeted Amount ²
	3.a	Fee for Service/Special	Level of use monthly at agreed to rates	Agreed to when need for service is determined	TBD

5) Service Level Expectations:

a) To be determined for each individual service to be provided at the time of request

b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

6) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Dan Thomas/Michael Tong

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POS - 16

Service Directive for Equity Diversity and Inclusion Project Support

by and between

Port of Seattle and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance, and vice versa. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

- a) Provide high-level, strategic advice to NWSA staff and primary consultants to support the development of the long-term strategy for transitioning to zero-emission drayage trucking. Strategic advice will focus on approaches for incorporating necessary equity considerations into the strategy, including prioritizing stakeholder outcomes among those who have been disproportionately impacted by poorer environmental health and economic prosperity related to the trucking industry.
- b) POS will work closely with NWSA staff and the primary consultant, to provide strategic advice on best practices related to equitable community engagement.

4) **Cost for Service and Charge Methodology – POS to The NWSA:**

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2025 Budgeted Amount ²
Office of EDI Dept# 1460	3.a	Direct Charges	Estimated costs related to Truck Collaboration		\$50,000 for Truck Collaboration support services

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¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Corporate Percentage (Fixed) allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage (Variable by budget organization but fixed for the year)– Charges will be tracked and charged based on a fixed percentage as determined by the level of service.

² Preliminary budget amount – subject to final budget approval.

5) Service Level Expectations:

Provide guidance and facilitation to incorporate Equity, Diversity and Inclusion (EDI) into trucker engagement strategies. Primarily work with the Puget Sound Zero Emission Truck Collaborative by supporting the NWSA staff and their primary consultants as they develop ways to incorporate equity, diversity, and inclusion into the strategy for transitioning to zero-emission drayage trucking by 2050.

6) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

- a) Provide on-going, strategic advice and support to NWSA staff and the consulting team/backbone organization to help ensure that equity goals are effectively integrated into the formation and work of the PS-ZETC, especially the development of the “Decarbonizing Drayage: Roadmap 2050” – the long-term strategy for facilitating and accelerating the transition to zero-emission drayage in the NWSA gateway.
 - i) Monthly 1.5-hour meetings with NWSA and consulting team/backbone organization, and additional as necessary
 - ii) Bi-monthly 3.5 hour meetings with the Truck Collaborative stakeholders
 - iii) Monthly Collaborative sub-committee meetings focused on “just and equitable transition”, and other sub-committee meetings, as necessary. Cadence of sub-committee meetings may vary.
 - iv) Meetings with Managing Members and the Environmental Working Group when zero emission drayage trucking topics are addressed
 - v) Other meeting as necessary and appropriate
 - vi) Review/comment on draft materials produced by the PS-ZETC (especially the Decarbonizing Drayage: Roadmap 2050)

7) Primary Contacts:

- a) NWSA – Jason Jordan
- b) POS – Bookda Gheisar

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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**EXHIBIT POS - 17
Service Directive for Municipal, County, and State
Use of NWSA-Licensed Property
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between The Northwest Seaport Alliance and the Port of Seattle with regard to Support Services listed above. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

- a) Municipal, county, and state organizations (collectively “Third-Party Users”) occasionally have need for temporary use of property licensed to The NWSA for lay-down, staging, and other activities in support of major capital improvement projects. Such use is formalized via a written agreement typically in the form of a Temporary Construction Easement (TCE). Depending upon the duration, scope of use, and agreement terms, payment by the Third-Party Users for use of the property may be made directly to the POS as the property owner. In such cases, these payment funds should be transferred to The NWSA as licensee/agent for the property. In the year ahead, there are not specific transactions identified. The MOU establishes the amount that the City will pay for TCEs on related POS properties including those licensed to NWSA, and NWSA participated in the negotiations. In the event other TCEs are paid directly to POS for use of NWSA licensed-property, payment for such TCEs shall be transferred by POS to NWSA pursuant to the terms of this exhibit.
- b) Permanent easements will be addressed separately by the parties.

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount ²
Real Estate	5	Project	The charge will be the fair market value for use of the property by the Third-Party Users as determined by an independent appraiser based upon the property attributes and characteristics (\$290,600 for the EMW Corridor Project). Such amount will be incorporated into the use agreement for the property.	100% of actual amount received for use of NWSA-licensed property	Any associated amounts in the event TCEs are paid directly to POS for use of NWSA licensed-property.

5) Scope of Services to be provided by The NWSA to POS

- a) NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.

6) Cost for Service and Charge Methodology – The NWSA to POS

- a) None

7) Service Level Expectations:

- a) NWSA Real Estate will provide any necessary services to the POS for these transactions regarding the drafting and negotiation of use agreements.
- b) POS will provide any necessary services to the NWSA to transfer any fee to the NWSA paid directly to the POS for use of NWSA-licensed property.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the POS as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The

NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
NWSA Real Estate	Management	NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.	Agreement(s) finalized prior to commencement date for property use.
POS Finance	Management	POS Finance to transfer funds to NWSA for use of NWSA-licensed property that has been formalized via a use agreement with the Third-Party Users.	Funds transferred prior to commencement date for property use.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA –Erin DeBroux
- b) POS – Jennifer Maietta

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

**EXHIBIT POS -18
Service Directive for North Harbor Customs and Border Patrol Facilities
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between the Port of Seattle with regard to Support Services listed above for or by The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POS to The NWSA

a) Facility costs for Customers and Border Patrol in the North Harbor/ Port of Seattle.

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount
North Harbor Customs and Border Patrol facility costs Dept# 11	5	Fixed Percentage of Actual Costs	Percentage of budget based on analysis of work activities	87% of ALL actual spending related to North Harbor CBP Facility excluding Depreciation	\$71,834

5) Scope of Services to be provided by The NWSA to POS

Facility costs for Customers and Border Patrol in the North Harbor/ Port of Seattle.

6) Cost for Service and Charge Methodology – NWSA to POS

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount
North Harbor Customs and Border Patrol facility costs Dept# 11	5	Fixed Percentage of Actual Costs	Percentage of budget based on analysis of work activities	13% of ALL actual spending related to North Harbor CBP Facility excluding Depreciation	No charges expected for 2025

7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The POS's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART – Specific, Measurable, Achievable, Relevant, Time Bound)	Target
CBP facility costs	Percent of time supporting homeport business	CBP time spent supporting homeport activities vs NWSA.	

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POS – Jennifer Maietta

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending. I am good with the agreement as negotiated a few years ago (Tong)

DRAFT

¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

THIS INTER-LOCAL AGREEMENT (“Agreement”) is entered into by and between the Port of Tacoma, a Washington municipal corporation, (“POT”) and The Northwest Seaport Alliance, a Washington Port Public Development Authority (“NWSA”) (referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Title 53.XX RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, in order to improve efficiency in obtaining, the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POT desire to retain support services from one another pursuant to the terms and conditions contained herein; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW (the Inter-local Cooperation Act), to enter into this Inter-local agreement.

NOW, THEREFORE, the Parties agree as follows:

I. General Provisions for Support Services

A. Duration of this Agreement. Services to be provided under the terms of this Agreement will be provided during Calendar Year 2025. This Agreement and attached Service Directive exhibits are effective between January 1, 2025 and December 31, 2025. Subsequent Inter-Local Agreements for Support Services, if any, will be executed on an annual basis.

B. Services Provided. The NWSA and POT have agreed to provide support services to one another as defined in the Service Directive exhibits attached to this Agreement. Each Service Directive exhibit defines the scope of services, cost for services, charge methodology, and service level expectations for each service area to be provided.

C. Communications. Each Service Directive exhibit identifies the contact people for the Parties that will coordinate the work for each service area. It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

D. Employment, Policies and Procedures. During the term of this Agreement, individuals providing support services will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff providing support services will follow the policies and procedures of their respective employer in conducting the work.

E. Billing Rate and Procedures. The charge for services will be determined during the budget cycle for the coming fiscal year. Based on the type of support service and as reflected on each specific Service Directive exhibit, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.

F. Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

G. Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

H. Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.

I. Recording. Copies of this Agreement shall be posted to the web sites of the Parties.

J. Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

K. Delegations and Authorizations. Authority for NWSA expenditures reside with the Managing Members except where delegated to the CEO or his delegate. The NWSA Master Policy Delegation of Authority Resolution and the NWSA internal Delegation Policies and Procedures shall govern authorizations when support services are provided to the NWSA, including contracting and procurement activities performed by the Port of Seattle on behalf of the NWSA. Under this structure, the NWSA Deputy CEO & Chief Facilities Development shall be accountable to the NWSA CEO to manage Projects via the attached Service Directives, and The Port of Tacoma Facilities Development department shall be accountable to execute the Service Directives Project(s) on behalf of the NWSA CEO through the Deputy CEO.

II. Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph III herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible Project Directors shall review the matter and use their best efforts to resolve it. If the Project Directors are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Inter-Local Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

B. Controlling law & Venue. This Agreement shall be construed and enforced according to the laws of the State of Washington.

III. Notices

A. Contact Persons. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows unless otherwise indicated by the Parties to this Agreement:

NWSA:	David Morrison, Chief Financial Officer PO Box 1837 Tacoma, WA 98401 dmorrison@nwseaportalliance.com
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Port of Tacoma:	Erin Galeno, Chief Financial and Admin Officer PO Box 1837 Tacoma, WA 98401 egaleno@portoftacoma.com
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**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

B. Receipt. Notice shall be deemed “received” on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

IV. Indemnification and Hold Harmless

A. The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers.

B. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties’ losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers.

C. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker’s Compensation Act, RCW Title 51.

D. Both Parties recognize that this waiver was the subject of mutual negotiation. In the event any Party incurs attorney’s fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

E. No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

F. Each Party agrees that it will include in any contract which is related to the work of this Agreement a provision requiring the contractor to defend, indemnify and hold harmless all the Parties to this Agreement against any claims arising out of or related to the work of the contractor.

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

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

V. Severability

If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

VI. Limits of Financial Obligations/Property ownership.

Except as provided above, each Party shall finance its own conduct of responsibilities under this Agreement. No ownership of property will transfer as a result of this Agreement.

VII. Entire Agreement/Amendment

This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Services to be provided and shall supersede all prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, 2024.

DRAFT

Northwest Seaport Alliance

Port of Tacoma

John Wolfe
Chief Executive Officer

Eric Johnson
Executive Director

Date _____

Date _____

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

**Attached Support Service Directives for Calendar Year 2025
Support Service Agreement between NWSA and POT:**

- Exhibit 1A – Accounting, Financial Analysis & Treasury Support Services
- Exhibit 1B – Strategic Operations Projects and Risk Management Support Services
- Exhibit 2 – Public Records Management Support Services
- Exhibit 3 – Information Technology and Business Process Support Services
- Exhibit 4 – Government Affairs Support Services
- Exhibit 5 – Communications Support Services
- Exhibit 6 – Commercial Real Estate Support Services
- Exhibit 7 – Engineering Support Services
- Exhibit 8 – Security Support Services
- Exhibit 9 – Equipment and Facilities Maintenance Support Services
- Exhibit 10 – Contracts and Purchasing Support Services
- Exhibit 11 – Executive Management Support Services
- Exhibit 12 – Commissioners Support Services
- Exhibit 13 – Portwide Infrastructure, Sitcum Office Support Services
- Exhibit 14 – Human Resources Support Services
- Exhibit 15 – Environmental and Planning Support Services
- Exhibit 16 – Marketing and Business Support Services
- Exhibit 17 – Railcar and Freight and Operations Coordinators Support Services
- Exhibit 18 – Auto Business Development Support Services
- Exhibit 19 – Additional Support Services as Needed
- Exhibit 20 – Customs and Border Patrol Support Services
- Exhibit 21 – Real Estate – Municipal County and State Use

EXHIBIT POT – 01A

Service Directive for Accounting, Financial Analysis and Treasury Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided between the Port of Tacoma and The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Accounting

- i) Customer invoicing, accounts receivable, collections and cash application for NWSA customers.
- ii) Accounts payable services for NWSA activity.
- iii) Payroll services for NWSA employees.
- iv) Project accounting services to support project delivery for the NWSA
 - (1) Project cost tracking and review of project costs for proper classification.
 - (2) Capitalization policy analysis and application to projects for projects .
 - (3) Capital Project Spending reporting and comparison to budget, coordinate Cash Reimbursement for 50% of total project spending on monthly basis.
- v) General accounting services for certain financial transactions associated with The NWSA.
 - (1) In conjunction with POS, provide information, resources and expertise to ensure The NWSA compliance with Generally Accepted Accounting Principles, Government Accounting Standards and specific Accounting policies as developed by The NWSA.

- (2) Manage and maintain General Ledger for NH and SH activity for the recording of actual and budget data. Direct financial transactions of the NWSA to proper databases.
- (3) Manage the capitalization of fixed assets by reviewing and classifying project spending into appropriate fixed asset categories.
- (4) Services to prepare consolidated NH and SH external financial reports, support the annual financial audit, single audit in compliance with GAAP and state and federal grant guidance.
- (5) Services to prepare consolidated NH and SH internal financial reports and monthly report packages. Review and analyze actual vs budget and prior variances and prepare explanations in the monthly financial reporting package.
- (6) WA Leasehold and B&O excise tax reporting and filing.
- vi) Grant accounting services for SH federal and state grants.
- vii)
 - (1) Grant Accounting compliance requirements with NWSA accounting in accordance with Uniform Guidance .
 - (2) Manage grant accounting audit and reporting.
- viii) Compliance Services
 - (1) Provide guidance on compliance with policies and procedures and state statutes.
- ix) Risk Management
 - (1) Provide risk management services to The NWSA for NWSA-licensed properties in support of its business operations, activities and assets. Scope includes, but is not limited to:
 - (a) processing and adjusting of claims and/or coordination of legal services.
 - (2) Provide workers' compensation insurance (or equivalent State-approved self-insurance), and associated claims processing services, for NWSA and all POT employees providing support services to the NWSA.
- b) Finance & Budget
 - i) Finance & Budget; NWSA and POT budget staff collaborate on POT and NWSA budget tools, processes and documents as well as financial analysis as necessary to support both organizations.

- ii) Working with NWSA staff to provide Operating Budget services to include but not limited to:
 - (1) NWSA depreciation forecasts for SH assets.
 - (2) Compiling budget/ forecast for POT & NWSA and house the system of record.

- iii) Working with NWSA staff to support as needed Capital Budget services
 - (1) Work with NWSA finance staff on North and South Harbors Capital Improvement Plan budgets, working with project teams for both harbors.

- iv) Support Financial Analysis Services to include:
 - (1) Policy
 - (a) Work collaboratively on final policy issues as initiated by any of the three entities.
 - (2) Funding.
 - (a) Assess fundability and funding options for NWSA decision on investments.

c) Treasury

- i) Provide Banking services, including but not limited to:
 - (1) Daily cash management, allowing cash functions such as payroll, accounts payable and accounts receivable.
 - (2) Manage cash balance to minimize fees and maximize interest earnings.

- ii) Provide Investment services, including but not limited to:
 - (1) Manage working capital reserve fund for NWSA.
 - (2) Manage NWSA lease security deposit.
 - (3) Manage working capital liquidity funds for South Harbor projects.

4) Cost for Service and Charge Methodology – POT to The NWSA:

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage for the year or Formula	2025 Budgeted Amount ²
Accounting Dept # 72	3.a	Fixed allocation %	Percentage of POT department budget based on analysis of work activities. This is net of NWSA finance services back to POT.	69.62%	\$2,525,766
Finance Dept # 72	3.b	Incl above	Incl above	Incl above	
Treasury Dept # 72	3.c	Incl above	Incl above	Incl above	

5) Scope of Services to be provided by The NWSA to POT

- a) Finance & Budget; NWSA and POT budget staff collaborate on POT and NWSA budget tools, processes and documents as well as financial analysis as necessary to support both organizations.
 - i) Working with POT staff to provide Operating Budget services to include but not limited to:
 - (1) Work with POT staff to provide POT budgets.
 - (2) Provide POT depreciation forecasts for new assets.
 - (3) Compile budget/ forecast for entire NWSA & POT and support housing and managing the system of record.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

- b) Support Capital Budget services
- i) Responsible for North and South Harbors, working with project teams for both harbors.
 - ii) Provide Financial Analysis Services to include:
 - (1) Business Development
 - (a) Responsible for North and South Harbor analyses.
 - (b) Review NWSA analyses with POS and POT finance teams.
 - (2) Policy
 - (a) Work collaboratively on final policy issues as initiated by any of the three entities.
 - (3) Funding.
 - (a) Assess fundability and funding options for NWSA decision on investments.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ³	Basis for Charge	Hourly Rate, Fixed Percentage for the year or Formula	2025 Budgeted Amount ⁴
Finance Dept # 72	5.a	Fixed allocation %	Percentage of NWSA department budget based on analysis of work activities	xx% of NWSA Finance staff costs to POT. Netted in POT allocation to NWSA	Netted in figure above

³ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

⁴ Preliminary budget amount – subject to final budget approval.

7) Service Level Expectations:

- a) Before January 1, 2025, agreements will be made on desired standard report formats and frequencies.
- b) Accounting services will be provided on standard schedules consistent with, and coordinating with, POT and POS accounting schedules.
- c) Retention of key financial reports and information in compliance with state requirements.
- d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma & NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The POT and NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ⁵	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Accounting – Accounts Receivable, Claims Processing and Receivables	Accuracy	<ul style="list-style-type: none"> 1. Revenue recognized (invoiced/ accrued) in proper periods 2. Collection procedures consistently applied to past due accounts. 	<ul style="list-style-type: none"> 1. 100% 2. 100%

⁵ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Accounting – Accounts Payable, Payroll	Management	<ol style="list-style-type: none"> Public works contracts paid within statutory period. Open payables over 60 days Rec'd not invoiced report reconciled weekly Payroll checks, tax and benefit deductions and third party payments are accurate and timely processed. 	<ol style="list-style-type: none"> 100% \$0 Resolved within 1 month
Accounting – Projects	Accuracy	<ol style="list-style-type: none"> Project costs accurately reflected in the project subledger and reconciles to GL. Project reviewed and analyzed for capital vs. expense accounting before spending begins. 	
Accounting - General	Time Based	<ol style="list-style-type: none"> Monthly Fin'l package (Jan. – Nov.) – distribution date. Annual (Dec.) audited financial statements avail. 	<ol style="list-style-type: none"> 13th bus day April 30th
Accounting – Grants	Accuracy	<ol style="list-style-type: none"> Audit Findings 	<ol style="list-style-type: none"> None
Finance – Budget	Time Based	<ol style="list-style-type: none"> Support completed budget by agreed upon date 	<ol style="list-style-type: none"> (date updated annually)
		<ol style="list-style-type: none"> 	<ol style="list-style-type: none">
Treasury - Banking	Management	<ol style="list-style-type: none"> Number of major banking errors, to include overdrafts and late payment release resulting in fees Maintain cash levels consistent with banking guidelines 	<ol style="list-style-type: none"> 0 errors Maintain cash levels to minimize fees
Treasury – Investments	Management	<ol style="list-style-type: none"> Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order. 	<ol style="list-style-type: none"> Maximize investment subject to prudent investing.

8) Primary Contacts:

- NWSA – David Morrison
- POT – Don Kelley/ Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

EXHIBIT POT – 01B
Service Directive for Risk Management Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for/ between The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to NWSA

a) Risk Management

- i) Provide risk management services to the NWSA for licensed properties in support of its business operations, activities and assets. Scope includes, but is not limited to:
 - (1) evaluation of risks and insurance coverage needs
 - (2) procurement of insurance
 - (3) processing and adjusting of claims and/or coordination of legal services
 - (4) consultation on risk management issues related to contracting and procurement
- ii) Provide workers' compensation insurance (or equivalent State-approved self-insurance), and associated claims management services.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Included in the POT to NWSA executive Department allocation

5) Scope of Services to be provided by The NWSA to POT

- a) None

6) **Cost for Service and Charge Methodology – NWSA to POT**

*None.

7) **Service Level Expectations:**

a) Maintain cost effective property and casualty (including workers' compensation) insurance coverage, and claims management, as respects the operations and activities of The NWSA on-licensed properties.

b) **Performance Measures and Metrics:**

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

8) **Primary Contacts:**

a) NWSA – David Morrison

b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POT - 02
Service Directive for Public Records Management Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Public Records

- i) Coordinate overall public records management for The NWSA. Lisa Billak will serve as The NWSA Public Records Officer.
- ii) Provide management of POT portion of state-mandated NWSA records management.
- iii) Provide support for and coordinate the production of responsive records for PRR requests for the NWSA.
- iv) Meet State of Washington mandated JLARC annual reporting requirements.
- v) Coordinate with POS records/PRR management staff on management of NWSA records.
- vi) Coordinate with POS on Public Records Requests that involve records in the custody of POS.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount ²
Public Records Mgmt Dept #	3.a	Fixed amount	Fixed fee based on a percentage of time to service the NWSA for the above scope of work	n/a	Included in Executive Department Service Agreement

5) Scope of Services to be provided by POT to the NWSA

- a) Lisa Billak will service as Public Records officer for the NWSA (this is included in the POT Executive Management services agreement)

6) Cost for Service and Charge Methodology – POT to NWSA

- a) Fully burden staff time.

7) Service Level Expectations:

- a) At NWSA formation, Public Records Management policy and procedures for The NWSA were adopted by the Managing Members.
- b) Public Records Management activities will follow The NWSA Public Records Management policy and procedures.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.
-

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT - 02 - Service Directive:
Public Records Management Support Services**

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Records	Time Based	<ul style="list-style-type: none"> - Initial acknowledgment of Public Records Request sent to requester - Initial response due date communicated to requester within 5 days 	<ul style="list-style-type: none"> - 5 working days - 100%
Records	Time Based	<ul style="list-style-type: none"> - Fullfill state JLARC annual Public Records Response reporting due July 1 	<ul style="list-style-type: none"> - 100%
Records	Management	<ul style="list-style-type: none"> - Records coordinators are trained on state records retention, reporting and disclosure laws - All commissioners and records staff meet current Open Public Meetings and Open Public Records training requirements 	<ul style="list-style-type: none"> - 100% - 100%
Records	Accuracy	<ul style="list-style-type: none"> - All responsive records are identified, gathered and delivered pursuant to the request 	<ul style="list-style-type: none"> - 100%

8) Primary Contacts:

- a) NWSA – Dana Henderson
- b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT - 03

Service Directive for Information Technology Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

- a) Information Technology - Provide IT services directly to NWSA staff and to POT support service groups providing services to the NWSA.
- i) Provides Information Technology Strategic Planning services, in alignment and partnership with NWSA stakeholders, to support NWSA business technology goals and strategies.
 - ii) Provides Management and Administrative support, including but not limited to: licensing; vendor management; contract management; procurement (in partnership with contracts); and IT Governance facilitation.
 - iii) Provide support for enterprise software applications, including but not limited to: technical support services; design and implementation of system enhancements; system selection, design and architecture; application and support vendor selection and relationship management; system roadmap/life-cycle management; system documentation; system level disaster recovery management; application project resource and SME services. Enterprise applications include, but are not limited to, systems for Core Financials, Budgeting, Payroll, Treasury, HR, Real Estate, Maintenance, Contracts, Collaboration, Records Management, Customer Relationship

Management, Breakbulk Terminal Operations, Rail Terminal Operations, Security, and Business Intelligence.

- iv) Provide support for enterprise data and databases, including but not limited to: database administration and management; volume data storage management; data quality management; integration management; Enterprise Report development; managed file transfer; managed data services; database disaster recovery management.
- v) Provide IT Project Management services, including but not limited to: IT Project Portfolio Management, including project intake, IT steering committee authorization and prioritization; IT project planning including development of budgets, resources plans and schedules; management of project scope, schedule, budget, quality, risk and communications; management of competitive vendor and product selection; IT PMO management and administration; recruitment and management of temporary Project Management and Business Analyst resources.
- vi) Provide Geographic Information System (GIS) services, including but not limited to: GIS system support and training; geospatial data management; geospatial mapping services; geospatial server and user application management; CAD services including CAD drawing management.
- vii) Provide a single point of contact Service Desk for all IT related issues, including but not limited to: computer hardware; mobile devices; video and audio conferencing; end user software and enterprise applications; data; databases; asset and lifecycle management; user account provisioning; new user IT orientation and associated services for NWSA staff.
- viii) Provides IT support for all managing members meetings that are held at the Port of Tacoma.
- ix) Provide infrastructure services, including but not limited to: hybrid cloud/physical environment management; hardware installation and maintenance; managed power distribution; backup power systems; data backup and archiving; managed load balancing; server and storage virtualization; controlled internet access; diverse firewalls and anti-malware solutions; managed email and messaging; managed authentication and authorization; managed data storage; managed cloud storage and services; managed data encryption; system selection, design and configuration; documentation and datacenter diagrams; life-cycle management; datacenter disaster recovery management; support vendor selection; service contract management.

**EXHIBIT POT – 03 - Service Directive:
Information Technology Support Services**

- x) Provide cybersecurity services, including but not limited to: end-user training; network cybersecurity monitoring; governance, risk and compliance monitoring; ongoing managed cybersecurity services; incident response, disaster recovery and business resiliency testing; development and updating of policies and procedures; risk assessments and audits; support vendor selection; service contract management.
- xi) Provide support for network services, including but not limited to: managed LAN devices; managed WAN devices; managed wired and wireless LANs; fiber and cable plants; system selection, design and configuration; documentation and network diagrams; life-cycle management; network level disaster recovery management; support vendor selection; service contract management.

4) Cost for Service and Charge Methodology – POT to The NWSA:

POT IT does not charge-back or allocate costs to POT departments for services, all costs are budgeted and expensed within the Information Technology department. As such, the costs of providing these services indirectly to the NWSA should be included in the NWSA cost allocation.

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount ²
Information Technology Dept #70	3.a	Fixed percentage		62.47%	\$9,501,508

5) Scope of Services to be provided by The NWSA to POT

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

a) None.

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Cybersecurity	Other	IT Service Availability	99.99%
D365	Other	IT Service Availability	99.99%
Bellerophon	Other	IT Service Availability	99.90%
SharePoint/OneDrive/Teams Collaboration	Other	IT Service Availability	99.90%
Teams Communications	Other	IT Service Availability	99.90%
Desktop	Other	IT Service Availability	99.00%
PowerBI	Other	IT Service Availability	99.00%
Office Suite (Outlook)	Other	IT Service Availability	99.00%

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Mark Miller

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT – 04
Service Directive for Government Affairs Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to the NWSA

- a) Represents the NWSA's legislative interests with state officials, staff and agency representatives.
- b) Represents the NWSA's legislative interests as requested with local officials and staff and tribal governments in Pierce County.

4) Cost for Service and Charge Methodology – POT to the NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount ²
Gov't Affairs Dept # 86	3.a,b	Fixed Percentage Allocation of actual expenses.		9.64%	\$158,741

5) Scope of Services to be provided by The NWSA to POT

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Legislative issues are consistently and successfully achieved.
- b) NWSA customers receive value through active engagement on issues that impact their business operations

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Government Relations	Management	Develop annual legislative agenda and make sufficient progress toward achieving goals within.	Sufficient Progress

8) Primary Contacts:

- a) NWSA – Ryan McFarland
- b) POT – Sean Eagan

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc.
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT – 05

**Service Directive for Communications Support Services by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services by and between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the support services (listed below) provided by the POT to NWSA. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to the NWSA

- a) Internal communications issued by POT that includes all NWSA staff (e.g., staff newsletter, staff surveys, All-Hands mtgs, events, and other notifications.)
- b) NWSA website support functions that includes serving as liaison with website vendor on issues and requests; conduct testing of required security updates; providing support for webpage updates/postings; participating in quarterly meetings with IT to update website roadmap plan; and trouble shooting and repairing issues with the GovDelivery platform and providing data reports as requested.

4) Cost for Service and Charge Methodology – POT to the NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount ²
Communications Dept #88	3 a, b			Fixed	\$30,000

5) Scope of Services to be provided by NWSA to POT

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Support in the areas described above will be provided to NWSA, as needed, for the year 2025.

Measurements of the POT activities are critical to improving services and are **the basis for cost recovery** for services provided. The POT and NWSA have identified activities critical to meeting the NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
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¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc.
- Management – measure dealing with or controlling issues, communications, or staff

Communications	Time Based; Management	Services in the areas listed in 3) above are provided as requested by NWSA	Projects completed
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8) Primary Contacts:

- a) NWSA: Melanie Stambaugh, Director of Communications
- b) Port: Carol Bua, Communications Director

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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- Accuracy – measure to have a specified level of accuracy to be measurable
 - Other – measure that doesn't fit into category above

EXHIBIT POT - 06
Service Directive for Real Estate Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma regarding Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

- a) POT will support NWSA in the negotiation and drafting of agreements with any municipal, county, city, and state organizations (collectively "Third-Party Users") that occasionally have need for temporary use of property licensed to The NWSA. Such use is typically for lay-down, staging, and other activities in support of major capital improvement projects and is formalized via a written agreement typically in the form of a Temporary Construction Easement (TCE).
- b) POT to apply for a street vacation of the property within 120 days of the effective date of the ILA (expected September 4, 2024). POT's Real Estate Department will be working on the street application, survey requirements, resolution of all City requirements at the end of 2024 and into 2025. This will include consultation with outside counsel council, coordination with POT Engineering and Environmental Planning Departments. The City has a subsurface water main line running through the property and POT anticipates an engineering analysis associated with this water line, and POT may be expected to address relocation or limited use of this water main line.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Commercial Real Estate Dept # 08	3.a	Fee for Service	Fee for services/Variable		\$20,000 for work associated with TCEs
	3.b	Fee for Service	Fee for Services/Variable		\$20,000 plus actual POT Outside Counsel expenses estimated at \$40,000 for a total estimate of \$60,000 for completed vacation submittal

5) Scope of Services to be provided by The NWSA to POT

- a) Provide support to POT Real Estate for the POT’s vacation of the 11th street properties.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Performance Measures and Metrics:

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure	Target
3.a	Time	TCEs completed	
3.b	Time	Vacation submitted per agreed upon schedule	Vacation request submitted by POT to City 120 days of the effective date of the ILA

8) Primary Contacts:

- a) NWSA – Jim Vo, Senior Real Estate Director, NWSA
- b) POT – Debbie Shepack, Senior Director, Real Estate, Port of Tacoma

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

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EXHIBIT POT - 07
Service Directive for Engineering Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma regarding Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Project Delivery

(1) Contacts

(i) NWSA – Don Esterbrook

(ii) POT Engineering – Thais Howard

ii) POT staff will provide The NWSA with project delivery administration.

iii) POT staff will provide The NWSA with project delivery for NWSA projects in Pierce County. Services for projects start from the initial phase of project initiation to the last phase of project closeout. Engineering project delivery processes include the following phases: initiation, planning, design, execution, any grant related work and closeout. Changes in 2025 include adding use of consultants for project management services and hiring several new staff members to handle increasing project workload as needed.

b) Construction Inspection (NWSA: Don Esterbrook, POT: T. Howard)

i) POT staff will provide construction inspection services for NWSA projects in Pierce County.

c) Capital Budget Analyst (NWSA: David Morrison, POT: T. Howard)

i) POT staff will develop and manage the Capital Investment Plan (CIP) Budgets for the NWSA and track and report project actual expenses.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Project Delivery, Administration, Construction Inspection Services Dept #50	3.a,b	Project Charges	Project-Specific Agreements	Hourly Rate Schedule \$225	Costs for “Expense” project are included in operating expenses. Capital Projects will be authorized in accordance with the applicable Master Policy.

5) Scope of Services to be provided by NWSA to POT

a) POT Engineering Department Management

- i) Provide management of POT engineering staff
- ii) Provide engineering advice to POT Executive
- iii) Provide oversight and management of POT projects.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

6) Cost for Service and Charge Methodology – NWSA to POT:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ³	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ⁴
			n/a		Netted in Executive Fixed Fee Allocation

7) Service Level Expectations:

- a) Project Delivery: Project delivery and construction inspection will be provided in accordance with the authorization for projects.
- b) Approval: All services provided by POT for the NWSA shall be approved and authorized by the NWSA. The NWSA Master Policy is the controlling document for authorization of projects. Execution of work shall be consistent with relative policies and procedures for each organization.
- c) Request for Services: All requests for services shall be documented and include scope of work, period of performance, cost of service, and any other information necessary for describing the work and how it shall be completed. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.
- d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are the basis for cost recovery for services provided. The Port of Tacoma and

³ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

⁴ Preliminary budget amount – subject to final budget approval.

The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ⁵	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Conformance with appropriate and applicable policies and procedures	Management	Projects appropriately authorized and work completed in accordance with appropriate policies and procedures	0 deficiencies reported on the Compliance Report
Scope	Accuracy	Project definitions, as defined in the basis of design or 30% design documents, are accurate and complete	Properly documented
Schedule	Accuracy	Work is delivered on time	Schedules are developed and agreed to by all parties
Budget	Accuracy	Projects are completed within authorized amounts	Project spending does not exceed current authorization

8) Primary Contacts:

- a) NWSA – Don Esterbrook
- b) POT – Thais Howard

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level

⁵ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT - 08

Service Directive for Security Emergency Management Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Security

- i) The NWSA will contract with POT for Port Patrol and Security associated with NWSA-licensed properties in Pierce County.
- ii) POT security employs a proprietary IWLU security workforce. Security services will be provided as needed at NWSA properties. These security charges will be billed to NWSA.
- iii) Maintain compliance with the Maritime Transportation Security Act (MTSA) at all properties.
- iv) Maintain security personnel services for properties to provide for the protection of the asset from theft, vandalism and other criminal activities.
- v) Maintain security personnel services and U.S. Coast Guard required Facility Security Plan (FSP) for properties to maintain compliance with MTSA and applicable laws, regulations, policies and procedures.

b) Emergency Management & Preparedness

- i) Provide emergency management services to ensure continuity of operations, mitigation of hazards and coordinated responses to planned and unplanned emergent/emergency events.

- ii) Maintain liaison with Federal, State, County, City, United States Coast Guard, DOD, MARAD, other governmental and law enforcement agencies for legal/regulatory compliance and emergency management, to include act as representative for Maritime Security Committees.
- iii) Maintain the ability of the facilities to communicate effectively on the Port of Tacoma 800 MHz Radio System through radios provide by the Port of Tacoma and operated through a Memorandum of Agreement with the tenants as part of the emergency management and security program.
- iv) Coordinate drills and exercises of security plans and emergency management activities with all Port of Tacoma Maritime Facilities and the appropriate federal, state and local authorities in order to maintain regulatory/legal requirements and operational readiness.
- v) Represent the Port of Tacoma and all Maritime properties and activities at the U.S. Coast Guard Area Maritime Security Committee General and Executive.
- vi) Provide representation to the Puget Sound Harbor Safety Committee, along with Port of Tacoma operations staff
- vii) Where appropriate, maintain Port of Tacoma access control program and infrastructure for access to facilities in compliance with U.S. Coast Guard regulations.
- viii) Where appropriate, maintain Port of Tacoma video surveillance program and infrastructure for video surveillance of Port of Tacoma properties.
- ix) Maintain Port of Tacoma 24 hour a day, 7 day a week security services.
- x) Where appropriate, provide safety, security and emergency management training for Port of Tacoma personnel, contractors, vendors and tenants as required.
- xi) Where appropriate, maintain the Port of Tacoma TWIC program.

c) ICT Information Security

- i) Cyber Security protection, detection and response support services.
- ii) Cyber security Training as required for all Port of Tacoma Security personnel

2) Cost for Service and Charge Methodology – POT to the NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount²
Security Dept # 40	3.a	Fee for Service	Direct hourly Charge per Officer by classification:	\$122.83	\$1,632,276
Security Dept # 40	3.a,b,c	Fixed percentage	Percentage of POT department budget based on NWSA licensed property	41.24% of actual spending	\$2,080,406

3) Scope of Services to be provided by The NWSA to POT

a) None.

4) Cost for Service and Charge Methodology – NWSA to POT

a) None.

5) Service Level Expectations:

a) 24/7/365 Port Patrol Security Force in Pierce County

b) Protection of Port of Tacoma and the NWSA personnel and licensed properties in Pierce County

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval and actual usage and costs

- c) Focus on physical security ensuring compliance with the Port of Tacoma Security Facility Plan as mandated by MTSA and CFR 33 Part 105.
- d) Coordinate Yearly and quarterly Strategic MARAD reports and associated work
- e) Sustaining a safe and secure free flow of commerce
- f) Coordinate with local and regional safety and security organizations.
- g) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Coast Guard	Management	Maintain Coast Guard requirements.	No audit findings.
Crime Rates	Management	Maintain lowest crime rate in Tacoma within Port of Tacoma jurisdiction, as measured on Tacoma Police Department's quarterly report.	
Liaison with other government agencies Liaison with MARAD and DOD	Management	Maintain close partnerships with other law enforcement agencies in the Puget Sound and the USCG Maintain Strategic Port Status	Notice to be given within 30 days if there are any significant issues to report relative to the NWSA or the POT

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

			Consistent Reporting to MARAD and DOD
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6) Primary Contacts:

- a) NWSA – Jeff Bellerud
- b) POT – Colin Millan

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

EXHIBIT POT - 09
Service Directive for Equipment and Facilities Maintenance Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By anthe Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Equipment Maintenance

i) The POT will provide mechanical and electrical maintenance services, which include, but are not limited to, the maintenance of cranes, strads, vehicles, forklifts and generators used by NWSA activities.

b) Facilities Maintenance

i) The POT will provide facilities maintenance to NWSA licensed properties, which includes, but is not limited to, plumbing, carpentry, electrical, buildings and grounds maintenance, environmental maintenance and track maintenance.

c) Special administrative projects that are above and beyond the day-to-day services will be charged at the Equipment or Facilities rate depending on the scope of the project.

**EXHIBIT POT - 09 - Service Directive:
Equipment and Facilities Maintenance Support Services**

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Equipment Dept # 54	3.a	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$219.89 Allocation – Charged as a percentage or formula, applied monthly to the actual expenditures	Direct charges included in operating expenses
Facilities Dept # 58	3.b	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$187.42 Allocation – Charged as a percentage or formula, applied monthly to the actual expenditures	Direct charges included in operating expenses

5) Scope of Services to be provided by The NWSA to POT

a) None.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

6) **Cost for Service and Charge Methodology – NWSA to POT**

a) None.

7) **Service Level Expectations:**

a) Customer input regarding prioritization of work will be discussed on a regular basis.

b) **Performance Measures and Metrics:**

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

DRAFT

**EXHIBIT POT - 09 - Service Directive:
Equipment and Facilities Maintenance Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Equipment Maintenance	Management	Crane Uptime	99.6%
Equipment Maintenance	Management	Strad Availability	100%
Equipment Maintenance	Management	Preventative & Corrective Maintenance Work Order - Monthly	WO Completed-80% WO in Progress-17% WO Cancelled-3%
Facilities Maintenance	Management	Preventative & Corrective Maintenance Work Order - Monthly	WO Completed-80% WO in Progress-17% WO Cancelled-3%
Facility Maintenance	Management	Service Request Completion	100%
Facility Maintenance	Management	Stormwater Compliance <ul style="list-style-type: none"> • Source Control • ISGP • MS4 	100%

8) Primary Contacts:

- a) NWSA – Jeff Bellerud
- b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT – 11
Service Directive for Executive Management Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

- a) Services for the Chief Financial and Administration Officer to manage the Accounting, Treasury, contracts and procurement and public records activities on behalf of the NWSA.
- b) Public Records process for the NWSA.
- c) POT will make available Diversity, Equity and Inclusion (DEI) training, plan development and execution to NWSA Staff

4) Cost for Service and Charge Methodology – POT to The NWSA and NWSA to POT:

- a) A fixed fee for 5% of the Chief Financial and Administration Officer, 50% of Records Program Manager, 20% of Records Specialist and 50% of Capital Budget Analyst, salary and fringe costs based on historical analysis of work activities.
- b) Fixed cost of \$25,000 for DEI based on total HC

5) Scope of Services to be provided by The NWSA to POT

- a) Services of the identified NWSA Executive Management Team members to manage POT Homeport business. Positions are Deputy CEO (5%), Chief Operations Officer (10%), Chief Commercial and Strategy Officer (25%), and Director of Engineering (30%). The NWSA CFO will lead NWSA budget team providing overall budget management to POT and provide support to POT Financial Analysis & Treasury team at 5%.

- b) Services of NWSA commission administrative support staff will not provide support for POT Commission activities.

6) Cost for Service and Charge Methodology – NWSA to POT and POT to NWSA

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
No charges for 2025					

7) Service Level Expectations:

- a) Executives/staff effectively prioritize and manage business activities associated with the NWSA and Port of Tacoma.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT – 11 - Service Directive:
Executive Management Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Executive Management/ Staff	Other	Establish annual goals and expectations.	Quarterly progress reports on status
Public Records	Timely and complete	All NWSA Public Records requests are processed by state requirements.	Acknowledge recent of request within 5 business days. 100% compliance with all NWSA public records.

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT – 12
Service Directive for Commissioners Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Commission Support

- i) The PDA shall be governed by its Managing Members who will carry out the provisions of RCW 53.08 by overseeing the business of the PDA, setting policy and strategic direction for the NWSA in both internal and external matters and provide for their implementation.
- ii) The Managing Members shall meet at least quarterly and may hold executive sessions to consider matters enumerated in RCW 42.30 or privileged matters recognized by law. POT will provide the NWSA with use of the commission chambers, conference center, and common use at POT facilities for Managing Member meetings at no cost. This will include providing parking access for Managing Member Meetings.
- iii) Oversee The Northwest Seaport Alliance Charter and other formation documents.
(1) Costs include commission salary, benefits, and major community memberships.
- iv) Commission travel for NWSA business will be included in the NWSA Commission Department budget and actuals

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Commission Support Dept # 60	3.a	Fixed Total	POS and POT charge same amount	Fixed	\$250,000
	3.b	Direct	NWSA specific travel expenses paid by NWSA	Actual	\$78,700

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – The NWSA to POT:

a) None.

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT – 12 - Service Directive:
Commissioners Support Services-Revised effective May 2, 2025**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Managing Members – Meeting Frequency	Other	The Managing Members shall meet at least quarterly and may hold executive sessions to oversee the business of the PDA, set policy and strategic direction for the NWSA.	At least Quarterly
Managing Members – Compliance	Other	Managing Members will carry out the provisions of the PDA in RCW 53.08 and RCW 42.30.	100% compliance
Managing Members – Meeting Attendance	Other	Three or more commissioners present at Managing Member meetings.	100% of MM Meetings

1) Primary Contacts:

- a) NWSA – Leilani Berinobis
- b) POT – Alisa Praskovich

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT - 13

Service Directive for Portwide Infrastructure, Sitcum Office

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Sitcum Office

- i) POT will provide fully serviced office, conference room space and common area space at 1 Sitcum Plaza for staff in Tacoma that provide services to NWSA and NWSA staff who have their primary office in the South Harbor.

b) Fabulich Building (or alternative facilities for MM Meetings)

- i) POT will provide fully serviced commission chambers, conference room space and common area space at 1 Sitcum Plaza for staff in Tacoma that provide services to NWSA.

c) Portwide Infrastructure

- i) POT will maintain infrastructure – roads, entrances, exits common areas as required by regulatory agencies and maintain a safe working environment at Port of Tacoma facilities.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Sitcum Dept 90	3.a	Fixed sq ft rate	Department Headcount Allocation including depreciation.	Fixed amount	\$861,545
Sitcum Dept 90	3.b	Fixed sq ft rate	Similar to POS, No allocation for NWSA use of Fabulich Center for Managing Member or NWSA meetings	Fixed amount	\$0
Portwide Infrastructure Dept 30	3.c	Fixed Percentage of costs <u>excluding depreciation</u>		75%	\$709,643

5) Scope of Services to be provided by The NWSA to POT

- a) None

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None

7) Service Level Expectations:

- a) Office and conference room spaces are available and fully functional with the same high level of service it provides to the POT.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

b) Infrastructure – common areas, entrances, exits, roads are in maintained and functional with the same high level of service it provides to the POT.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Portwide Infrastructure	Management	Facilities are available and maintained (same level of service as POT)	100%

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POT - 14
Service Directive for Human Resources Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Human Resources

- i) Provide services to evaluate and implement salary and benefits for NWSA employees.
- ii) Provide services to support NWSA employee relations, professional development, compensation/classification, leave administration, retention, recruiting and hiring.
- iii) Provide services to support NWSA organizational development and team building.
- iv) Work closely with benefits broker to insure cost competitive rates with vendors.

b) Labor Relations

- i) Management and negotiation of CBA and other labor relations activities for represented employees working for POT under service agreements to NWSA.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Human Resources Dept# 76	3.a-b	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	62.47% of actual spending. Based on existing methodology adjusted for HC changes	\$997,805

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

a) None.

7) Service Level Expectations:

- a) Employee information is handled in compliance with all applicable laws.
- b) Salary and benefit programs are designed based on competitive market data which takes into account the Seattle market, given NWSA's work in the North Harbor.
- c) NWSA recruitments are conducted in a timely manner and take into account any NWSA-specific priorities and policies.
- d) Performance Measures and Metrics:

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Human Resources - Recruitment	Time Based	- Respond to all parties as it relates to recruitment, clearly communicating process and status thereof	- 48 hour response in most circumstances
Human Resources – Employee Relations	Time Based	- Respond to all questions and requests, clearly communicating process and status thereof	- 48 hour response in most circumstances
Human Resources – Performance Management	Time Based	- Complete performance management process to allow for on time pay increase	- Pay increase effective 4/1
Human Resources - Leave Administration	Time Based	- Administer leaves in compliance with federal, state, local regulations and Port/NWSA policies	- In compliance with regulations and policies

8) Primary Contacts:

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

- a) NWSA – David Morrison
- b) POT – Chief Human Resources Officer

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

**EXHIBIT POT - 15
Service Directive for Environmental and Planning Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between the Port of Tacoma with regard to Support Services listed above for and to The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Environmental and Planning

- i) POT Permitting and Remediation staff will provide The NWSA with project delivery for NWSA projects. Services include planning, permitting, SEPA/NEPA, environmental remediation and habitat mitigation.

(1) POT Permitting staff, at the request of the NWSA, may manage NWSA federal service liaison positions.

(2) POT staff, at the request of the NWSA, may assist with NWSA lease reviews and associated property management.

- ii) POT staff will fill key roles for NWSA environmental program management. NWSA, POT & POS staff will coordinate closely on regional air quality, land use, transportation, and facility planning, economic impact studies and water quality (stormwater MS4 and ISGP) management programs.

- iii) For projects completed in King County or of regional significance, POT and NWSA staff will coordinate with Port of Seattle Maritime Division staff, including but not limited to permitting, SEPA/NEPA, project management, land use, transportation and facility planning, construction management, regional environmental policies, water quality,,

**EXHIBIT POT - 15 - Service Directive:
Environmental and Planning Support Services**

economic impact analysis and programs (e.g. ORCA/Underwater Noise, mitigation banking, and federal/state regulatory policy) and design services as requested.

Note: This does not restrict staff from working on NWSA projects in King County, but for budgeting purposes, the assumption is that, project delivery will be within each homeport geography unless otherwise directed.

- iv) POT Environmental Services staff will provide oil and hazardous material cleanup response, hazardous material cleanup, illicit discharge response and management of hazardous material disposal on NWSA projects as needed.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Environmental Project/Program/Innitaitive/Lease Support Dept# 48	3.a.i-iii	Project Charges	Project-Specific Agreements; allocation based on where work occurs (licensed/non-licensed properties) shoreline or land area or as otherwise agreed to.	Hourly Rate Schedule \$195	Costs for "Expense" project are included in operating expenses

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT - 15 - Service Directive:
Environmental and Planning Support Services**

Oil and Hazardous Material Cleanup Response Dept# 48	3.a.iv	Project Charges	Already budgeted in POT, no charge.	Included above	Included above
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5) Scope of Services to be provided by The NWSA to POT

- a) Planning and Environmental Programs (POT: E. Johnson, NWSA: J. Jordan)
- i) NWSA staff will provide Senior Director leadership to POT Environmental staff and the Executive Director and/or the POT leadership team (allocated through the annual established rate).
 - ii) NWSA staff will provide services to POT for port facility planning, land use planning, transportation planning, strategic planning, air quality and water quality (stormwater) management programs, economic impact analysis, comprehensive scheme of harbor improvements and grant management coordination related to POT Non-Alliance properties.
 - iii) NWSA, POT, & POS staff will collaborate and share information on land use plans and projects and environmental initiatives and programs.
 - iv) NWSA staff will provide project-specific planning and environmental support to POT as requested, for POT Non-Alliance properties.
 - v) NWSA Environmental Services staff will provide oil and hazardous material cleanup response, oil and hazardous material cleanup, illicit discharge response and management of oily waste and hazardous material disposal on POT projects if requested.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount
Planning Programs Dept# 80	5.a.ii	Fixed	Percentage of NWSA department costs based on analysis of work activities	49% of actual spending	\$663,064
Air, Water Quality Environmental Project/Program/initiative Support	5.a.i	Project Charges	Project-Specific Agreements	Hourly Rate \$195	Costs for "Expense" project are included in

**EXHIBIT POT - 15 - Service Directive:
Environmental and Planning Support Services**

Dept# 48					operating expenses
Oil and Hazardous Material Cleanup Response Dept# 48	5.a.iii	Project Charges	Already budgeted in NWSA, no charge.	Included above	Included above

7) Service Level Expectations:

- a) Approval: All services provided by POT for the NWSA shall be approved and/or authorized by the NWSA or their designated representative. The NWSA Master Policy is the controlling document for authorization of projects. Execution of work shall be consistent with relative policies and procedures for each organization.
- b) Request for Services: All requests for services shall be documented. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Environmental & Planning	<i>Time Based</i>	- <i>Timely response to request</i>	- <i>w/in 24 hrs</i>

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POT - 15 - Service Directive:
Environmental and Planning Support Services**

Planning	<i>Time Based</i>	- <i>Timely notice of change in scope, schedule or budget</i>	<i>Within 24 hours of change</i>
Oil and Hazardous Material Clean up	<i>Time Based</i>	- <i>Manage clean up</i> - <i>Notification to reg agencies</i> - <i>Future preventon plan</i>	- <i>w/in 24 hrs</i> - <i>w/in 48 hrs</i> - <i>w/in 72 hrs</i>

8) Primary Contacts:

- a) NWSA – Jason Jordan
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT - 16
Service Directive for Marketing and Business Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Northwest Seaport Alliance with regard to Support Services listed below for The Port of Tacoma. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) None.

4) Cost for Service and Charge Methodology – POT to The NWSA:

a) None.

5) Scope of Services to be provided by The NWSA to POT

- a) Provide market intelligence, research, reporting, data and support services to various POT departments including Finance, Environmental, Real Estate, Public Affairs etc.
- b) Provide monthly tracking and reporting on the POT grain terminal and yearly forecasting including research on crop and business assumptions.
- c) Provide POT Auto business support including hosting, marketing, advertising, administration support, volume reports and subscription services.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
<u>Marketing & Business Support</u> Dept #82	3.a-d	Fixed Amount	Negotiated amount	Fixed Fee	\$120,000

7) Service Level Expectations:

- a) Effectively prioritize and manage business activities associated with the NWSA and Port of Tacoma.
- b) Provides timely strategic planning and commercial support for Port of Tacoma businesses.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

Service Area	Type of Measure³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Grain Market Reporting	Time Based	Monitor grain terminal volumes on monthly basis, include in the monthly POT financials. Prepare annual forecast.	Monthly volume, yearly forecast

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate monthly , to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT - 17

Service Directive for Railcar and Freight and Operations Coordinator Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

a) Customer Service

- i) The NWSA will contract with POT for railcar coordinators and freight coordinators and Operations support for work associated with NWSA-licensed properties in Pierce County.

**EXHIBIT POT - 17 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
Customer Service Dept 16	3.a	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	100 % of actual spending	\$2,017,687

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

a) None.

7) Service Level Expectations:

- a) Operations resources are available for efficient operations and timely service delivery.
- b) Manage operating costs using best operational best practices to maximize profitability.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT - 17 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Customer Service	Accuracy	Deliver billing information to billing department	5 days after vessel
		Dock Receipt copy to shipping line	Daily
		Customs Clearance	Daily
		Damage Reporting	Daily
		Accurate OSD Reporting	Daily
		Manifest Reception and Accuracy	Daily
		Yard inventory	Daily
Railcar Coordinators	Accuracy	Order rail cars into NIM yard (switch request)	Daily
		Performance Reporting	Daily/Weekly
		Accountability Reports	Daily
		Planning Container loading	Daily
		Receiving Rail cars into the NIM yard	Daily
		Coordinating Rail car inspections with TTX	Daily
		Track and Tracing Rail cars and containers	Daily
Freight Coordinators	Accuracy	Customs Clearance Paperwork	Daily

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POT - 17 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

		Accurate inputs for containers (DIMS, Weights, ETC)	Daily
		Customer interaction via phone call, email	Daily
		Ensure destinations are accurate in all systems	Daily
		Track and Tracing Rail cars and containers	Daily

8) Primary Contacts:

- a) NWSA – Jeff Bellerud/Bob Meyer
- b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT - 18

**Service Directive for AUTO Business Development Support Services (Taylor Way Auto Facility)
by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services by and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Northwest Seaport Alliance regarding Support Services listed below for The Port of Tacoma. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to the NWSA

a) None.

4) Cost for Service and Charge Methodology – POT to The NWSA:

a) None.

5) Scope of Services to be provided by The NWSA to POT

a) Management of Taylor Way Auto Facility business

b) Marketing of Taylor Way Auto Facility business

c) (Eric, this is included as part of the management of Taylor Way Auto Facility business. Quarterly update meetings between the primary contacts (Eric Johnson/Tong Zhu)

d) Monthly highlights (4-5 bullet points) EXCEPT the month of January, April, August, and December 2025 when the quarterly meetings will be held.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount
Non Container Dept# 14	5.a	Fixed Amount	Percentage of budget based on analysis of work activities	Fixed Fee	\$140,000

7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The POT’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Revenue management	Management	Monitor auto volumes to ensure that minimum payment is accurately identified and invoices	Estimated \$2.9 million revenue

¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable.
- Other – measure that doesn’t fit into category above.

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate quarterly financial performance of actual vs. projected spending. Eric requesting monthly check-ins, 1 x 1s to gauge how it's going, what's going etc. – quarterly financial are fine, but we just want monthly updates on overall business.

DRAFT

EXHIBIT POT - 19
Service Directive for Additional Support Services as Needed
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

- a) POT will provide miscellaneous additional support services as requested by The NWSA. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount ²
	3.a	Fee for Service/Variable	Level of use monthly at agreed to rates	Agreed to when need for service is determined	

5) Scope of Services to be provided by The NWSA to POT

- a) NWSA staff will provide miscellaneous support services to POT if requested by POT. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount
	5.a	Fee for Service/Variable	Level of use monthly at agreed to rates	Agreed to when need for service is determined	

7) Service Level Expectations:

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT - 19 - Service Directive:
Additional Support Services as Needed**

- a) To be determined for each individual service to be provided at the time of request
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Example - Accounting	<i>Time Based</i>	- <i>Days to complete monthly close</i> - <i>Days to complete quarterly close</i>	- <i>X days</i> - <i>X days</i>
Example - Finance	<i>Time Based</i>	<i>Meet budget deadlines:</i> - <i>Complete Prelim Budget Document</i> - <i>Present Prelim Budget in Study Session</i> - <i>Present Final Budget to MM</i>	<i>10/2/2025</i> <i>10/30/2025</i> <i>11/13/2025</i>
Example - Treasury	<i>Management</i>	<i>Maintain Cash on Hand consistent with policy</i>	<i>(input calculation here)</i>
Example - Payroll	<i>Accuracy</i>	- <i># payments requiring manual intervention</i> - <i>Number of out of cycle payments</i>	____ <i>pmts</i> ____ <i>pmts</i>
Example – Planning	<i>Time Based</i>	- <i>Days to complete an assigned project</i>	- <i>X days</i>

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Erin Galeno

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT -20

Service Directive for Tacoma Harbor Customs and Border Patrol Facilities

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by and between the Port of Tacoma with regard to Support Services listed above for or by The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025

3) Scope of Services to be provided by POT to The NWSA

a) None.

4) Cost for Service and Charge Methodology – POT to The NWSA:

a) None.

5) Facility costs for Customers and Border Patrol in the South Harbor/ Port of Tacoma.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2025 Budgeted Amount
Tacoma Harbor Customs and Border Patrol facility costs Dept# 11	5	Fixed Percentage of Actual Costs	Percentage of budget based on analysis of work activities	10.5% of ALL actual spending related to Tacoma	\$69,123

**EXHIBIT POT - 20 - Service Directive:
Customs and Border Patrol Facility Costs**

				Harbor CBP Facility	
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7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The POT's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
CBP facility costs	Percent of time supporting homeport business	CBP time spent supporting homeport activities vs NWSA.	

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level

¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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**EXHIBIT POT21 – NWSA Real Estate
Service Directive for Municipal, County, and State**

Use of NWSA-Licensed Property

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services by and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided to The Northwest Seaport Alliance with regard to Support Services listed above for the Port of Tacoma. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2025.

3) Scope of Services to be provided by POT to The NWSA

- a) Municipal, county, and state organizations (collectively “Third-Party Users”) occasionally have need for temporary use of property licensed to The NWSA for lay-down, staging, and other activities in support of major capital improvement projects. Such use is formalized via a written agreement typically in the form of a Temporary Construction Easement (TCE). Depending upon the duration, scope of use, and agreement terms, payment by the Third-Party Users for use of the property may be made directly to the POT as the property owner. In such cases, these payment funds should be transferred to The NWSA as licensee/agent for the property. In the year ahead, POT expects to receive funds from the Washington State Department of Transportation (WSDOT) relating to a Temporary Construction Easement (TCE) between POT and the Washington State Department of Transportation for the SR 167 Project. NWSA is expected to participate in these negotiations. The TCE establishes the amount that WSDOT will pay for TCEs on related POT properties including those licensed to NWSA. In the event other TCEs are paid directly to POT for use of NWSA licensed-property, payment for such TCEs, shall be transferred by POT to NWSA pursuant to the terms of this exhibit.
- b) Permanent easements will be addressed separately by the parties.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2025 Budgeted Amount ²
Real Estate	3	Project	The charge will be the fair market value for use of the property by the Third-Party Users as determined by an independent appraiser based upon the property attributes and characteristics. Such amount will be incorporated into the use agreement for the property.	100% of actual amount received for use of NWSA-licensed property	Any associated amounts in the event TCEs are paid directly to POT for use of NWSA licensed-property.

5) Scope of Services to be provided by The NWSA to POT

- a) NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.

6) Cost for Service and Charge Methodology – The NWSA to POT

- a) None.

7) Service Level Expectations:

- a) NWSA Real Estate will provide any necessary services to the POT for these transactions regarding the drafting and negotiation of use agreements.
- b) POT will provide any necessary services to the NWSA to transfer any fee to the NWSA paid directly to the POS for use of NWSA-licensed property.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting

these performance metrics.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the POT as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

NWSA's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Real Estate	Management	Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.	Agreement(s) finalized prior to commencement date for property use.

8) Primary Contacts:

- a) NWSA – Jim Vo
- b) POT – Debbie Shepack

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.