

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**ACTION ITEM**

<b>Item No.</b>	9B
<b>Date of Meeting</b>	March 7, 2025

**DATE:** February 19, 2025

**TO:** Managing Members

**FROM:** John Wolfe, Chief Executive Officer

**Sponsors:** David Morrison, Chief Financial Officer, NWSA

**SUBJECT:** First Reading/Introduction: A Joint Resolution of the Ports of Seattle (POS) and Tacoma (POT) regarding Water Resource Development Act (WRDA) Section 2106 and Harbor Maintenance Tax (HMT) Donor Port Fund distribution for 2024 and future years.

**A. ACTION REQUESTED**

That the Port of Seattle and Port of Tacoma Commissions consider Joint Port of Seattle (3835)/Port of Tacoma (2025-04-PT) Resolution regarding Water Resource Development Act Section 2106 and Harbor Maintenance Tax Donor Port Funds for 2024 and future years.

**Port of Seattle Commission Vote:** Request the Port of Seattle Commission approve introduction of Joint Port of Seattle (3835)/Port of Tacoma (2025-04-PT) Resolution regarding Water Resources Development Act Section 2106 and Harbor Maintenance Tax Donor Port Funds.

A request to adopt the joint resolution is planned to take place at a special meeting of the Port of Seattle and Port of Tacoma Commissions within the April 1, 2025 Managing Member meeting.

**B. SYNOPSIS**

NWSA staff recommends the Homeports adopt a joint resolution committing all Section 2106 / HMT funds received by each Homeport, or an equivalent amount, to the NWSA as Contributed Capital<sup>1</sup> to be used for eligible projects in the respective Homeport harbors, and further authorizing the return of cash to the two Homeports for expensed projects as Other Cash<sup>2</sup>. The funds, or the equivalent amount, will be held by the Homeports and used to reimburse the NWSA for projects that meet the Section 2106 / HMT criteria and no funds from

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<sup>1</sup> Contributed Capital does not impact the 50/50 split of Membership Interest per Section 3.14 of the Charter.

<sup>2</sup> Other Cash as defined in the NWSA Charter at Section 1.1 (r) and distributed per Section 4.1(c) of the Charter.

one Homeport will be used in the jurisdiction of the other Homeport. An exception will be made if a Homeport project primarily benefits the NWSA as approved by a vote of the Managing members. In that case, funds used for a Homeport Project that primarily benefits the NWSA will not have to be submitted to the NWSA for other eligible projects. The Homeports and NWSA Staff will work together to report Section 2106 / HMT fund usage to the U.S. Army Corps of Engineers (USACE) annually. This recommendation is consistent with action taken by the Homeports in prior years.

## **C. BACKGROUND**

### **1. GENERAL HARBOR MAINTENANCE TAX BACKGROUND**

In 1986, Congress enacted the HMT to help fund operation and maintenance (O&M) costs at US coastal and Great Lakes harbors through a tax on maritime shippers. O&M consists mostly of the dredging of federal channels to their authorized depths and widths. The tax is levied on importers and domestic shippers using coastal or Great Lakes ports.<sup>3</sup> The tax is assessed at a rate of 0.125% of cargo value (\$1.25 per \$1,000 in cargo value). The tax revenues are deposited into the Harbor Maintenance Trust Fund (HMTF) from which Congress appropriates funds for harbor dredging and other maintenance activity in federal waterways. The tax is also assessed at a rate of 0.125% on the value of cruise passenger tickets.

### **2. HMT REFORM AND WRDA SECTION 2106**

HMT reform has long been a top priority of the Homeports and the NWSA. HMT is collected to pay for maintenance dredging at ports around the country. Each ports' maintenance dredging needs vary, and what are now known as "HMT donor ports" generate far more HMT than they receive in return. For example, because Puget Sound is naturally deep, our ports traditionally have received only pennies from the HMTF for every HMT dollar our ports generate. Furthermore, because of the additional cost it places on cargo brought through our ports, it is also contributing to diversion of US cargo and associated jobs to Canada, where no HMT is charged.

As a first step in addressing these longstanding concerns, Senator Patty Murray led the creation of a program for donor ports under Section 2106 in the Water Resources Reform and Development Act of 2014 (WRRDA). Section 2106 funds come from the General Fund and not the HMTF. Section 2106 allows Seattle, Tacoma, and other donor ports<sup>4</sup> to offer incentives to shippers to help offset the HMT cost disadvantage relative to Canadian ports. Section 2106 funding also can be used for a limited number of "expanded uses" beyond the traditional uses of the HMT, including maintenance dredging in berths. The method of distribution and rules

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<sup>3</sup> Due to the Supreme Court decision of *U.S. v. United States Shoe Corp.*, 523 U.S. 360 (1998), exporters no longer pay the tax because it was found unconstitutional and in violation of the Export Clause, U.S. Const., Art. I, §9.

<sup>4</sup> Current donor ports: Seattle, Tacoma, Los Angeles, Long Beach, New York/New Jersey, Miami, Hueneme, and San Diego. WRRDA 2014 also made Section 2106 available to "energy transfer ports:" South Louisiana, New Orleans, Baton Rouge, Plaquemines, Lake Charles, Houston, Beaumont, Corpus Christi, Texas City, Baltimore, Long Beach, Mobile, NY/New Jersey, and Norfolk. Long Beach and NY/NJ choose to be donor ports as ports cannot receive both donor port and energy transfer port funds.

regarding the use of HMT and Section 2106 funds is specified in the WRDA legislation as well as implementation guidance developed by the USACE.

Until 2021, the NWSA elected to use Section 2106 funds for importer incentives, which were issued by Customs and Border Protection (CBP) under the structure established by WRRDA 2014 and subsequent implementation guidance. However, the Section 2106 incentive program lacks the needed flexibility, and for 2021 and 2022, the Homeports approved the staff recommendation to transfer all Section 2106 funds received to the NWSA for eligible projects. NWSA has used other NWSA-generated funds to finance an incentive program that meets the NWSA objectives of increasing cargo through the gateway.

The 2020 WRDA bill included additional HMT reform provisions that significantly increase the amount of funds returned to donor ports. Under WRDA 2020, donor ports will continue to receive Section 2106 funds, but in addition, donor ports will also receive eight percent of total annual O&M appropriations out of the HMTF. The HMT reform provisions in WRDA 2020 also increased the list of eligible expanded uses for which Section 2106 and HMT funds can be used. The mechanism used for the distribution of the increased funding is the same structure used for the Section 2106 funds.

### **3. USES OF FUNDS**

Below is a list of the eligible uses of HMT and Section 2106 funds, as amended in the 2020 WRDA bill. HMT funds cannot be used for importer incentives and environmental remediation related to dredging berths and federal navigation channels but can be used for the other items.

Section 2106 eligible spending (not HMT eligible):

1. Importer incentives (“to provide payments to importers entering cargo through that port, as calculated by the Secretary according to the value of discretionary cargo”). These incentives are distributed by Customs and Border Protection.
2. Environmental remediation related to dredging berths and federal navigation channels.

Section 2106 and HMT eligible spending:

3. Maintenance dredging “of a berth in a harbor that is accessible to a federal navigation project and that benefits commercial navigation at the harbor.”
4. Dredging and disposal of legacy-contaminated sediment and sediment unsuitable for open water disposal. This applies to both federal channels and berths. Material must be associated with maintenance dredging (does not include deepening).
5. An in-water improvement if the improvement:
  - a. is for the seismic reinforcement of a wharf or other berthing structure, or the repair or replacement of a deteriorating wharf or other berthing structure, at a port facility;
  - b. benefits commercial navigation at the harbor; and
  - c. is located in, or adjacent to, a berth that is accessible to a federal navigation project.

6. An activity to maintain slope stability at a berth in a harbor that is accessible to a federal navigation project if such activity benefits commercial navigation at the harbor.

#### **4. HMT AND SECTION 2106 FUNDS RECEIVED IN 2024 AND FUTURE FUNDS**

The Port of Seattle received \$2.867 million in Section 2106 funds and \$22.150 million in Harbor Maintenance Tax funds for a total of \$25.017 million in 2024. The Port of Tacoma received \$3.308 million in Section 2106 funds and \$25.555 million in Harbor Maintenance Tax funds for a total of \$28.863 million in 2024. Similar amounts are expected in future years. The Managing Members have, through previous actions, approved the use of 2024 Section 2106 and HMT on NWSA projects. This action is consistent with the previous approvals.

The Port of Tacoma has authorized via a Port vote the use of \$4 million of 2024 HMT funds for maintenance dredging of the Blair waterway for the benefit of the NWSA. Managing Members' approval of this use of HMT funds for a Homeport project is considered use for an NWSA project will be requested at the April meeting.

The federal government will not share the data used for official HMT calculations. However, staff is able to make some estimates based on import and cruise statistics for each harbor. Applying the HMT rate of .125% to Homeport and NWSA cargo and cruise activity that is subject to the HMT, NWSA staff estimate that between 95% and 97% of the HMT funds we receive are associated with cargo activity. In addition, the HMT reform work both Homeports and NWSA have been engaged in over the last decade was undertaken specifically to address the competitive position of our cargo facilities compared with Canadian ports.

Therefore, staff proposes that the Homeports commit to providing funds equal to the HMT and Section 2106 funds received in 2024 and future years be available to the NWSA. The NWSA is in the best position to expend these funds for improvements in each harbor and incentive programs to enhance the cargo competitiveness of the gateway. If the NWSA spending of HMT and Section 2106 funds is delayed, the Homeport may spend the funds on eligible projects, but commits to providing an amount equal to the 2024 funds received for eligible NWSA projects in that Homeport harbor. Additionally, if by vote of the Managing Members a Homeport project is determined to be for the benefit of the NWSA, then the use of section 2106 and HMT funds on that Homeport project are considered to have been spent for the benefit of the NWSA.

While the legislation is unclear as to where the funds must be used, staff proposes that all funds received from a certain harbor in turn be used in that corresponding harbor unless the USACE provides guidance in the future allowing funds to be used in harbors other than where the funds were generated. Additionally, staff recommends that the policy decision made by the Managing Members that the contribution of these funds from the two Homeports does not impact the 50/50 membership interest in the NWSA continues. This is consistent with the action for 2021 through 2023 Section 2106 funds. In future years, should the Homeports wish to re-visit this resolution, that could happen by a subsequent vote, taking into account NWSA projects that are already underway and dependent on HMT and Section 2106 funding from the Homeports.

#### **D. FINANCIAL IMPLICATIONS**

The proposal is to commit an amount equal to HMT and WRDA Section 2106 funds received in 2024 and future years to the NWSA. The funds will be held by the Homeports and will be provided to the NWSA on a reimbursement basis on projects in the Homeport that meet the Section 2106/HMT allowable criteria. No Section 2106/HMT funds received by one Homeport shall be used in the other Homeport.

Seattle: The 2024-2029 NWSA Capital Improvement Plan (CIP) contains \$84.3 million of eligible HMT Projects including T18 pile cap repair and maintenance dredging, T30 Dock Rehabilitation, T25 Dock Rehabilitation and T18 north fender replacement. An additional \$119 million of projects that were not included in the budget but are in consideration could be funded with HMT funds.

Tacoma: The 2024-2029 NWSA CIP contains \$65.3 million of eligible HMT projects including T7 infrastructure repairs and improvements, PCT fender repairs, Husky and WUT toe wall design, and several maintenance dredges. An additional \$46.5 million for the installation of toewalls at Husky and WUT were not included in the budget but will be HMT and Section 2106 eligible.

Committing the funds to the NWSA will reduce the capital contributions required when the HMT/Section 2106 funds are used on capitalized projects and/or increase cash flow from the NWSA when the funds are used on expensed projects.

This resolution proposes that as a matter of policy, the 2024 HMT and Section 2106 funds received by a Homeport be committed to the NWSA for eligible uses only in that Homeport. This is consistent with prior year actions.

#### **E. PREVIOUS ACTIONS OR BRIEFINGS**

The Managing Members have received several memorandums concerning HMT and Section 2106 funds and through Homeport actions approved the transfer of all Section 2106 funds received in 2021 and 2022 to the NWSA. In 2023, the Section 2106 funds were kept in the Homeports, but the Homeports committed to provide funds equivalent to the amount received to the NWSA. The Managing Members have taken action to assign 2024 funds to specific projects. This proposal is consistent with those prior actions.

A JOINT RESOLUTION OF  
THE PORT of SEATTLE No. 3835 and THE PORT of TACOMA No. 2025-04-PT

***Regarding Water Resources Development Act Section 2106 and Harbor  
Maintenance Tax Donor Port Funds for 2024 and Future Years***  
(for Federal Government Fiscal Year 2024 and Future Years)

**WHEREAS**, in 1986, Congress enacted the Harbor Maintenance Tax (HMT) to help fund operation and maintenance (O&M) costs at U.S. coastal and Great Lakes harbors through a tax on maritime shippers;

**WHEREAS**, HMT is levied on importers and domestic shippers using coastal or Great Lakes ports at a rate of 0.125% of cargo value (\$1.25 per \$1,000 in cargo value). HMT is also assessed at a rate of 0.125% on the value of cruise passenger tickets;

**WHEREAS**, HMT creates a competitive disadvantage for American ports when compared with Canadian or Mexican ports;

**WHEREAS**, HMT revenues are deposited into the Harbor Maintenance Trust Fund (HMTF) from which Congress appropriates funds for harbor dredging and other maintenance activity in federal waterways in US Army Corps of Engineers districts;

**WHEREAS**, individual ports' harbor dredging and maintenance needs vary, and what are known as "HMT donor ports" such as the Ports of Seattle and Tacoma (together, Homeports) generate far more HMT than they receive in return individually;

**WHEREAS**, HMT reform has long been a top priority of the Homeports and of their marine cargo operating partnership, the Northwest Seaport Alliance (NWSA), due to the competitive disadvantage with Canadian or Mexican ports where HMT is not imposed on US-bound cargo and because HMT donor ports did not receive a fair return on the HMT revenue such donor ports generated;

**WHEREAS**, as a step towards addressing these longstanding concerns, a program has been created for HMT donor ports under Section 2106 in the Water Resources Reform and Development Act of 2014 (WRRDA) (Section 2106 Funds) allowing the Homeports and other HMT donor ports to offer incentives to shippers to help offset the HMT cost disadvantage relative to Canadian and Mexican ports;

**WHEREAS**, Section 2106 Funds may also be used for specific and limited "expanded uses" such as maintenance dredging at berths;

**WHEREAS**, the Water Resources and Development Act of 2020 expanded the HMT donor port program to distribute 8% of annual HMT appropriations to the donor ports for expanded uses using the same formula as Section 2106 (HMT Funds);

**WHEREAS**, the NWSA is regularly engaged in the kinds of maintenance dredging and maintenance projects eligible for Section 2106 Funds and HMT Funds;

**WHEREAS**, when the NWSA was established, the Homeports separately sought Section 2106 Funds and HMT Funds instead of the NWSA doing so, in order to increase the overall amount of funding to be provided to the gateway;

**WHEREAS**, prior to 2021, the NWSA elected to use Section 2106 Funds for importer incentives, which were issued by Customs and Border Protection (CBP) under the structure established by WRRDA 2014 and subsequent implementation guidance;

**WHEREAS**, in 2021 and 2022, per Homeport commission approval on Resolutions 3788 and 3798 (Port of Seattle) and 2021-10-PT and 2022-01-PT (Port of Tacoma), Section 2106 Funds were transferred by the Homeports to the NWSA to be used for eligible projects;

**WHEREAS**, in 2023, per Homeport commission approval on joint Resolution 3813 (Port of Seattle) and 2023-09-PT (Port of Tacoma), the Homeports received and retained the Section 2106 Funds allocated to each Homeport and agreed to contribute an amount equal to all Section 2106 Funds to the NWSA as reimbursements for eligible projects occurring in the corresponding harbor;

**WHEREAS**, Staff estimate that about 95% to 97% of the Section 2106 Funds and HMT Funds provided to the Homeports are associated with NWSA's cargo activity;

**WHEREAS**, the Homeports and NWSA have been engaged in HMT reform work over the last decade, and this work was undertaken specifically to address the competitive position of our gateway facilities compared with Canadian ports;

**WHEREAS**, the NWSA is in the best position to spend Section 2106 Funds and HMT Funds for improvements in each harbor and incentive programs to enhance the competitiveness of the NWSA Gateway;

**WHEREAS**, in 2024, the Port of Seattle received \$2.867 million in Section 2106 Funds and \$22.150 million in HMT Funds for a total of \$25.017 million;

**WHEREAS**, in 2024 the Port of Tacoma received \$3.308 million in Section 2106 funds and \$25.555 million in HMT Funds for a total of \$28.863 million;

**WHEREAS**, consistent with the actions in 2023, HMT Funds and Section 2106 Funds should continue to be held by the Homeport and then reimbursed to the NWSA for actual costs incurred for eligible projects subject to the requirements of this Resolution;

**WHEREAS**, consistent with the actions in 2021 – 2023, HMT funds received from a certain harbor should in turn be used only in the corresponding harbor where the funds were generated;

**WHEREAS**, Using the funds for the NWSA will reduce the capital contributions required when the Section 2106 Funds and HMT Funds are used on capitalized projects and/or increase cash flow from the NWSA when the funds are used on expensed projects; and

**WHEREAS**, the Federal Government is expected to continue to provide Section 2106 Funds and HMT Funds in future years.

**NOW, THEREFORE, BE IT RESOLVED BY the PORT OF SEATTLE AND PORT OF TACOMA COMMISSIONS that:**

Pursuant to Section 3.14 of the NWSA Charter regarding “Contributed Capital”:

1. The Port of Seattle and the Port of Tacoma will contribute all Section 2106 Funds and HMT Funds received by the Homeport to the NWSA for the mutual benefit of the NWSA Gateway, provided that such funds may only be spent by NWSA in the harbor that corresponds to the Homeport providing such funding.

1.1 Notwithstanding the immediately preceding sentence, if as a result of timing or other needs, the Homeports may spend Section 2106 Funds and/or HMT Funds on Homeport projects that do not benefit the NWSA, provided that the Homeport submits an equivalent amount to NWSA eligible projects.

1.2 Should a Homeport project primarily benefit the NWSA, the Managing Members may approve by vote the Homeport’s use of Section 2106 Funds and/or HMT Funds for such Homeport project. In which case, the Homeport is not required to submit an equivalent amount to NWSA eligible project required under section 1.1.

2. Any Section 2106 Funds and/or HMT Funds contributed to the NWSA by either Homeport is Contributed Capital as that term is used in the NWSA Charter.

3. The NWSA is hereby authorized to return cash for expensed eligible projects to the Homeports as Other Cash as defined in the NWSA Charter.

4. NWSA shall utilize any Section 2106 Funds and/or HMT Funds contributed by the Homeports in compliance with the requirements of any corresponding agreement or memorandum of agreement executed by a Homeport with the Department of the Army, U.S. Army Corps of Engineers (USACE).



**ADOPTED** by the Port of Tacoma Commission and the Port of Seattle Commission at a special meeting held on the 1<sup>st</sup> day of April, 2025, and signed by the Commissioners of both Ports in authentication of its passage.

**PORT OF SEATTLE**

**PORT OF TACOMA**

Toshiko Hasegawa, President  
Port of Seattle Commission

John McCarthy, President  
Port of Tacoma Commission

Ryan Calkins, Vice President  
Port of Seattle Commission

Dick Marzano, Vice President  
Port of Tacoma Commission

Sam Cho, Secretary  
Port of Seattle Commission

Don Meyer, Secretary  
Port of Tacoma Commission

Fred Felleman  
Port of Seattle Commission

Deanna Keller, 1<sup>st</sup> Assistant Secretary  
Port of Tacoma Commission

Hamdi Mohamed  
Port of Seattle Commission

Kristin Ang, 2<sup>nd</sup> Assistant Secretary  
Port of Tacoma Commission

First Reading/Introduction:  
A Joint Resolution of the Port of Seattle  
& Port of Tacoma

Item No.: 9B  
Meeting Date: March 7, 2025

Regarding Water Resources  
Development Act  
Section 2106 & Harbor Maintenance Tax  
Donor Port Funds for Fiscal Year 2024  
and Future Years.



THE NORTHWEST  
SEAPORT ALLIANCE

SEATTLE + TACOMA

David Morrison & Team

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## Action Requested

That the Port of Seattle and Port of Tacoma Commissions consider Joint Port of Seattle (3835)/Port of Tacoma (2025-04-PT) Resolution regarding Water Resource Development Act Section 2106 and Harbor Maintenance Tax Donor Port Funds for 2024 and future years.

**Port of Seattle Commission Vote:** Request the Port of Seattle Commission approve introduction of Joint Port of Seattle (3835)/Port of Tacoma (2025-04-PT) Resolution regarding Water Resources Development Act Section 2106 and Harbor Maintenance Tax Donor Port Funds.



THE NORTHWEST  
SEAPORT ALLIANCE  
SEATTLE + TACOMA

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## WRDA/HMT overview

- Harbor Maintenance Tax (HMT) generated through taxing of the inbound cargo owners which bring international cargo through that harbor and cruise revenue.
  - NWSA and Homeports have no control over cargo value and the amount of HMT generated
- Water Resources Reform and Development Act (WRRDA [aka WRDA]) Section 2106 (2106) funds are appropriated through Congress
  - Distributed using the same methodology as HMT funds
- These funds are made available to the Homeports to fund only those projects that meet specific criteria
- Future HMT funds receipt is not certain



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## HMT Fund Generation

- Some HMT funds are generated by non- NWSA activity
  - POS Cruise
  - POT Auto
  - Non-port maritime cargo operations within the gateway
- The exact amounts are difficult to determine, and the Federal Government will not share the data
- Estimates based on data indicate 95% to 97% of HMT from cargo activity
- Use and distribution of both HMT and 2106 are governed by the WRDA legislation



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## WRDA/HMT Overview

- HMT & 2106 funds must be spent in the harbor where they are generated.
- Funds can be spent in the year “allocated” or in future years
  - Funds cannot be used retroactively (Fiscal Year (FY) 2024 funds cannot be used for FY 2023, but can be used for FY 2025)
- FY 2024 amounts are shown in the table below\*

Source 2024 (\$M)	POT	POS	Total
2106	3.3	2.9	6.2
HMT	25.6	22.2	47.8
Total	\$28.9	\$25.1	\$54.0

\* Amounts depend on total number of Donor Ports which will change in future years



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## HMT / 2106 Use Principles

1. Maximize the HMT / 2106 funds over time to the gateway
2. Spend funds as quickly as possible
3. Projects advance on their merit, not eligibility
  - NWSA will request funding of projects that support business needs

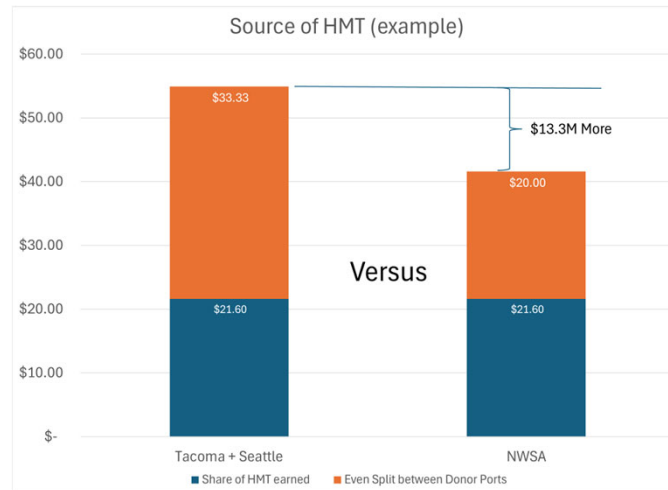
These Principles will help optimize outcome



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## Why Homeports vs NWSA receives Funds



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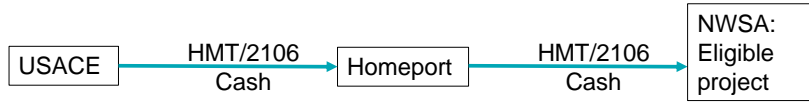
## Proposed Process for Spending Funds

- POT & POS commit total FY 2024 and future year HMT/2106 funds receipts for current and future eligible projects
  - NWSA has identified eligible projects that will fully use the expected funds over the next several years
- If as a result of timing or other needs, the Homeports may spend Section 2106 Funds and/or HMT Funds on Homeport projects that do not benefit the NWSA, provided that the Homeport submits an equivalent amount to NWSA eligible projects.
  - Utilize the funds as soon as possible
- Should a Homeport project primarily benefit the NWSA, the Managing Members may approve by vote the Homeport's use of Section 2106 Funds and/or HMT Funds for such Homeport project. In which case, the Homeport is not required to submit an equivalent amount to NWSA eligible project required under bullet 1.
  - Example is a channel maintenance dredge that benefits the NWSA

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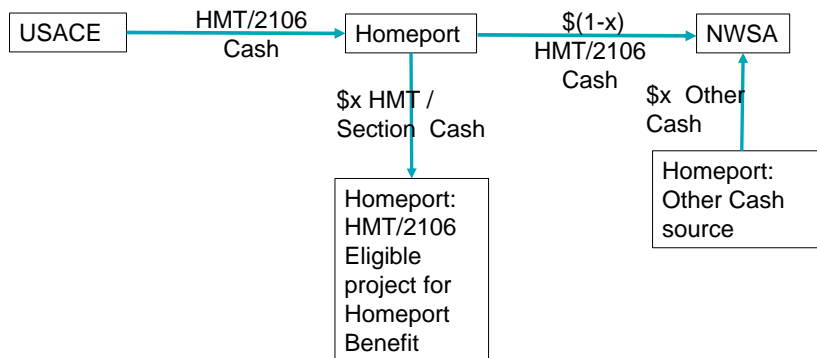
## HMT/Section 2106 funds used 100% for NWSA



- USACE – United States Army Corps of Engineers
- Standard approach if NWSA can spend HMT/2106 funds quickly
- Does not impact 50/50 split



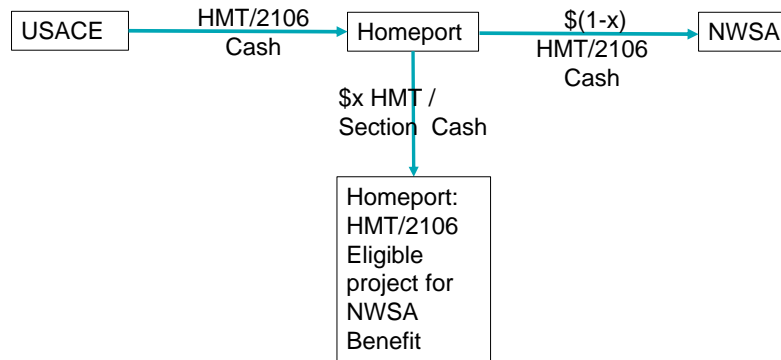
## HMT/WRDA funds used Partially for NWSA



- HMT Funds spent as quickly as possible
- Each Homeport contributes full HMT/2106 amount received to NWSA
- Does not impact 50/50 split



## HMT/WRDA funds used for Homeport Project that benefits the NWSA



- Managing Member vote required for approval of agreement that the Homeport project benefits the NWSA

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## HMT/WRDA Use Criteria

### Allowable usage for donor ports:

#### Section 2106 eligible spending

1. Importer Incentives (“to provide payments to importers entering cargo through that port, as calculated by the Secretary according to the value of discretionary cargo”)
2. Environmental remediation related to dredging berths and Federal navigation channels

#### Section 2106 and HMT eligible spending

1. Maintenance dredging in berths
2. Dredging and disposal of legacy-contaminated sediment and sediment unsuitable for open water disposal. This applies to both federal channels and berths. Material must be associated with maintenance dredging (does not include deepening)
3. An in-water improvement, if the improvement—
  - is for the seismic reinforcement of a wharf or other berthing structure, or the repair or replacement of a deteriorating wharf or other berthing structure, at a port facility;
  - benefits commercial navigation at the harbor; and
  - is located in, or adjacent to, a berth that is accessible to a Federal navigation project
4. An activity to maintain slope stability at a berth in a harbor that is accessible to a Federal navigation project if such activity benefits commercial navigation at the harbor

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## Prior Actions on FY 2024 funds

Source 2024 (\$M)	POT	POS	Total
2106	3.3	2.9	6.2
HMT	25.6	22.1	47.7
<b>Total</b>	<b>\$28.9</b>	<b>\$25.0</b>	<b>\$53.9</b>
NWSA Project authorized spending	-8.5	-4.5	-13.0
Homeport project for NWSA Benefit	-4.0	0.0	-4.0
Remaining Amounts	\$16.4	\$20.5	\$36.9



## Seattle NWSA HMT/2106 Eligible Projects (\$000s)

Status	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-2029	
<b>In Budget</b>	T18 Pile Cap Repairs Construction Only (HMT eligible)	0	2,340	34,109	17,055	0	0	53,504	
	T30 Dock Rehabilitation (HMT eligible)	0	500	2,000	5,000	1,055	0	8,555	
	T18 Maintenance Dredging (HMT eligible)	152	542	4,058	3,766	0	0	8,518	
	T25 Dock Rehabilitation (HMT eligible) -Design	0	0	1,054	4,000	0	0	5,054	
	T30 Maintenance Dredging (HMT eligible)	127	508	2,207	1,888	0	0	4,730	
	T18 North Fender Replace (HMT eligible)	226	836	1,310	21	0	0	2,393	
	T18 Pile Cap Repairs Design Only (HMT eligible)	645	170	0	0	0	0	815	
	T46 Maintenance Dredging (HMT eligible) Design	178	514	0	0	0	0	692	
	Pier 17 Bulkhead Wall Repair (HMT Eligible)	43	0	0	0	0	0	43	
	<b>In Budget Total</b>		<b>1,370</b>	<b>5,410</b>	<b>44,738</b>	<b>31,730</b>	<b>1,055</b>		<b>84,303</b>
	<b>Future</b>	T46 N & NW Bulkhead Replacement (HMT eligible) Construction	0	0	3,100	18,000	17,000	300	38,400
T46 South Dock Rehabilitation (HMT eligible)		0	0	0	1,163	35,000	0	36,163	
T25 Dock Rehabilitation (HMT eligible) -Construction		0	0	0	0	33,000	0	33,000	
T46 South Concrete Deck Replacement (HMT eligible)		0	0	1,500	3,006	400	0	4,906	
T46 SE Bulkhead Replacement (HMT eligible)		0	0	637	3,006	0	0	3,643	
T46 Maintenance Dredging (HMT eligible) Construction		0	0	1,550	1,800	0	0	3,350	
T46 N & NW Bulkhead Replacement (HMT eligible) Design		0	0	0	0	0	0	0	
<b>Future Total</b>		<b>0</b>	<b>0</b>	<b>6,787</b>	<b>26,975</b>	<b>85,400</b>	<b>300</b>	<b>119,462</b>	
<b>Grand Total</b>		<b>\$1,370</b>	<b>\$5,410</b>	<b>\$51,525</b>	<b>\$58,705</b>	<b>\$86,455</b>	<b>\$300</b>	<b>\$203,765</b>	

- Total project costs are shown. May not be 100% HMT eligible
- Projects in yellow are rough estimates for scoping only. Budget and actual costs will change





## Tacoma NWSA HMT/2106 Eligible Projects (\$000s)

Status	Project Name	2024 Fcst	2025 Bdgt	2026 Bdgt	2027 Bdgt	2028 Bdgt	2029 Bdgt	Total 2024-2029
In Budget	T7 Infrastructure repairs and improvements - (HMT Eligible)	54	1,200	14,226	15,000	15,000	6,419	51,899
	PCT Fender Replacement (HMT eligible)	2,839	0	0	0	0	0	2,839
	WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Dsgn	742	1,600	54	0			2,396
	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
	Pony Lumber Dock Repairs (HMT eligible)	360	353	0	0	0		713
	West Sitcum Terminal Maintenance Dredging (Design)	0	50	350	0	0	0	400
	Terminal 7ABC Maintenance Dredging (Design) (Potential HMT Eligible)	0	50	300	0	0		350
	T7 Berth C/Cleat Replacement (HMT eligible)	132	125	0	0	0		257
	Blair Terminal Repair Damaged Fenders (HMT Eligible)	173	73	0	0	0		246
	EB1 Ramp Area Repair (HMT Eligible)	231	0	0	0	0		231
	WUT Maintenance Dredging (HMT eligible)	11	202	0	0	0		213
	Terminal 7D Maintenance Dredging (Design)	0	50	150	0	0		200
	Pier 3/4 Maintenance Dredging (HMT eligible)	10	170	0	0	0		180
	Blair Dock Cleat Replacement (HMT eligible)	150	0	0	0	0		150
	PCT Crane Rail Crack Repair (HMT Eligible)	138	0					138
T7D Maintenance Dredging HMT eligible	0	90	0	0	0		90	
<b>In Budget Total</b>		<b>5,567</b>	<b>7,925</b>	<b>15,280</b>	<b>15,095</b>	<b>15,000</b>	<b>6,419</b>	<b>65,286</b>
Future	WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	0	0	4,000	22,000	2,087		28,087
	Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	0	0	16,200	2,208			18,408
<b>Future Total</b>		<b>0</b>	<b>0</b>	<b>20,200</b>	<b>24,208</b>	<b>2,087</b>	<b>0</b>	<b>46,495</b>
<b>Grand Total</b>		<b>\$5,567</b>	<b>\$7,925</b>	<b>\$35,480</b>	<b>\$39,303</b>	<b>\$17,087</b>	<b>\$6,419</b>	<b>\$111,781</b>

- Total project costs are shown. May not be 100% HMT eligible
- Projects in yellow are rough estimates for scoping only. Budget and actual costs will change



## Prior Actions and Future Actions

- The Managing Members have approved use of 2024 Section 2106 and HMT funds on specific projects on a case by case basis. Adoption of this resolution does not contradict those actions and no future action is required regarding the prior authorizations.
- The Port of Tacoma has authorized via a Port vote the use of \$4 million of their 2024 HMT funds for maintenance dredging of the Blair waterway for the benefit of the NWSA. Managing members approval that this use of HMT funds for a Homeport project is considered use for an NWSA project will be requested at the April meeting.



## Recommendation

- That the Homeports adopt a Joint Resolution committing the Homeports to providing an amount equivalent to the Fiscal Year 2024 and future year HMT / Section 2106 funds received by each Homeport to the NWSA to be used for eligible projects in each respective harbor that does not impact the 50/50 split of membership interest based on the distributed amount to the NWSA and authorizing the return of cash to the two Homeports for expensed projects.
- Resolution allows use of HMT / Section 2106 on Homeport projects if the project benefits the NWSA subject to MM vote
- Homeports may use HMT /Section 2106 for Homeport projects for the benefit of the Homeport but commit to providing an equal amount of funds to the NWSA
- All projects greater than the CEO delegated authority will still have to be approved by the Managing Members separately.



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## Action Requested

That the Port of Seattle and Port of Tacoma Commissions consider Joint Port of Seattle (3835)/Port of Tacoma (2025-04-PT) Resolution regarding Water Resource Development Act Section 2106 and Harbor Maintenance Tax Donor Port Funds for 2024 and future years.

**Port of Seattle Commission Vote:** Request the Port of Seattle Commission approve introduction of Joint Port of Seattle (3835)/Port of Tacoma (2025-04-PT) Resolution regarding Water Resources Development Act Section 2106 and Harbor Maintenance Tax Donor Port Funds.



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