



**THE NORTHWEST  
SEAPORT ALLIANCE**  
Gateway to Solutions

# 2022 Budget Study Session

Managing Member Meeting  
October 28<sup>th</sup>, 2021

# Agenda

- **Budget Schedule**
- **2021 Forecast**
- **2022 Budget with Details**
- **2022 Budget and 2023-2026 forecast**
- **Grants**
- **2021-2026 Capital Investment Plan**



# Budget Schedule

- **October 28**
  - Cargo Forecast
  - Budget study session
- **November 8**
  - Approve 2022 operating budget
  - Approve 2022-2026 Capital Investment Plan

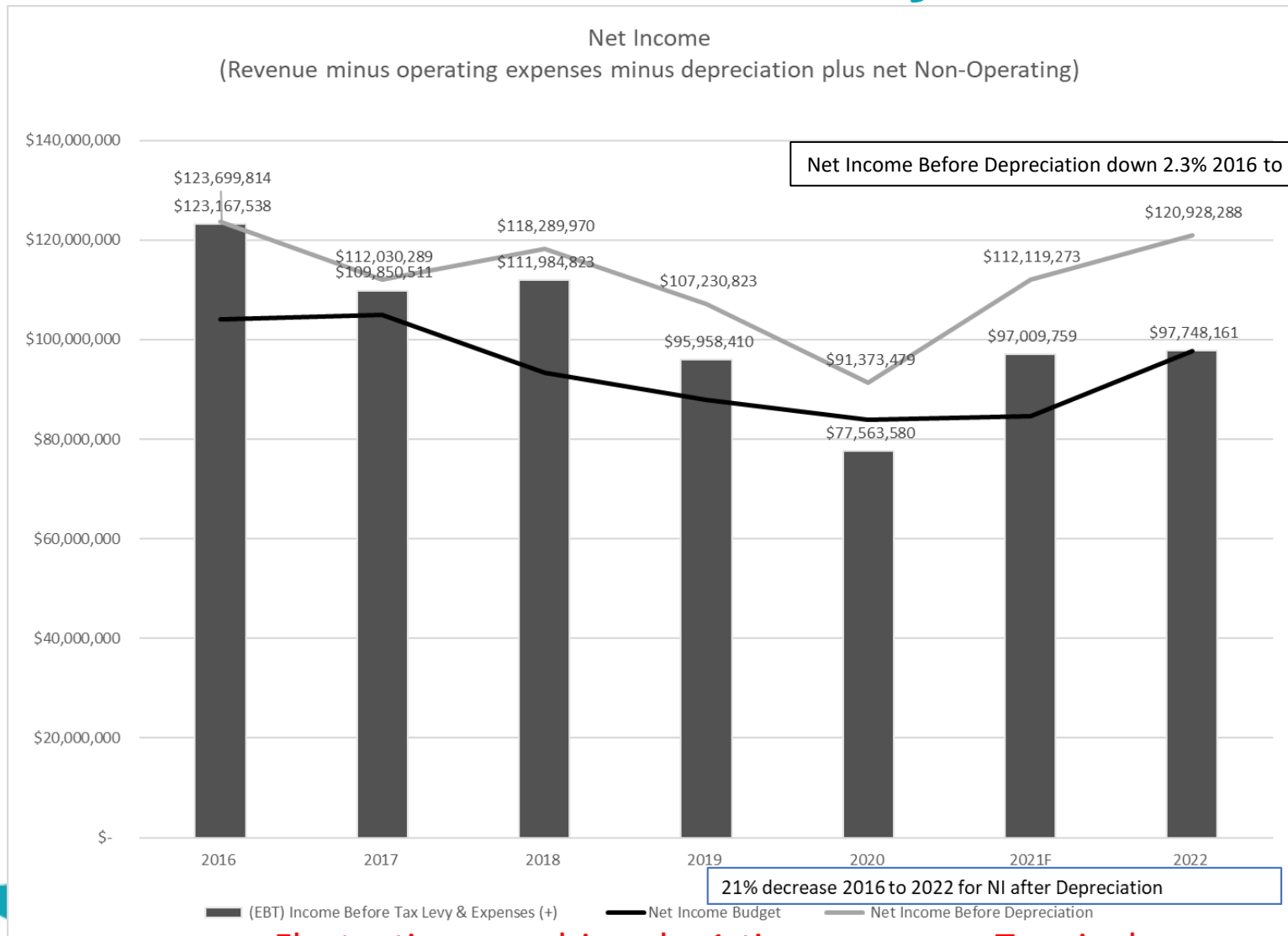


# NWSA Objectives

- **The objectives of this budget are:**
  - Increase the gateway cargo volumes to support the local economy and increase family-wage jobs
  - Complete the construction of T5 on schedule and on budget
  - Increase utilization and financial performance of licensed properties
  - Maintain and pursue expansion of a diversified business portfolio
  - Meet or exceed targeted financial performance
    - Distributable Cash
    - Utilization of HMT funds
  - Reduce the NWSA's impact on the environment through effective environmental policies

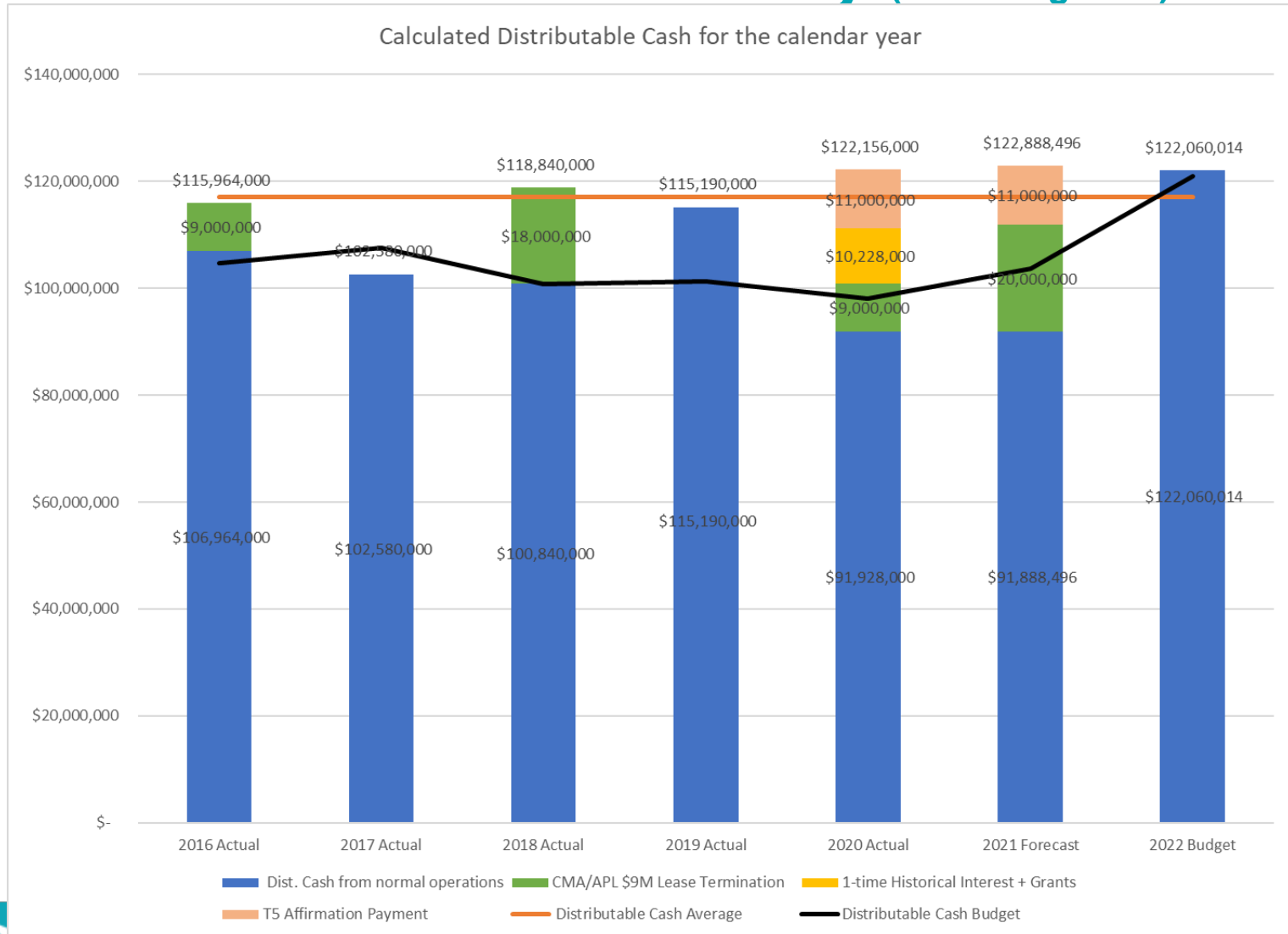


# Historical Net Income History



Fluctuations are driven by 1-time expenses, Terminal closures, grants and changes in cargo activity

# Distributable Cash History (excluding HMT)



# Net Cash provided by NWSA

NWSA Providing Cash	2016-2026 Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Distributable cash	1,364,056	115,964	102,580	118,840	115,190	111,156	111,888	122,060	123,094	145,586	147,189	150,509
Affirmation Distribution	32,000					11,000	11,000		10,000			
HMT/ WRDA 2106 Spent							5,526	5,500	10,000	10,000	10,000	50,000
Total	\$ 1,396,056	\$ 115,964	\$ 102,580	\$ 118,840	\$ 115,190	\$ 122,156	\$ 128,414	\$ 127,560	\$ 143,094	\$ 155,586	\$ 157,189	\$ 200,509

Cash from Home Ports (excluding HMT from Gov't)	2016-2026 Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Working Capital	51,000	51,000										
Capital Construction	1,088,455	56,140	69,120	83,326	88,609	129,618	110,306	112,677	100,295	85,467	51,397	201,500
Affirmation Contribution	32,000					11,000	11,000		10,000			
Total	\$ 1,171,455	\$ 107,140	\$ 69,120	\$ 83,326	\$ 88,609	\$ 140,618	\$ 121,306	\$ 112,677	\$ 110,295	\$ 85,467	\$ 51,397	\$ 201,500

NWSA Provide/(Accept) Cash	\$ 224,601	\$ 8,824	\$ 33,460	\$ 35,514	\$ 26,581	\$ (18,462)	\$ 7,108	\$ 14,883	\$ 32,799	\$ 70,119	\$ 105,792	\$ (991)
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- Over 11-year period, NWSA + projected HMT/WRDA 2106 funds will provide \$224.6 million more in cash than received by the home ports.
- HMT in 2023 and beyond is a conservative estimate. Since use of HMT funds is restricted, timing of use may vary from timing of collection
  - WE may collect \$20M+ a year, but won't spend it all that year
- MM's have not yet acted on the policy for HMT funds in 2022 and beyond



# 2021 Forecasted Operating Results

(\$ millions)

	2021 Budget	2021 Forecast	Variance Better / (Worse)
<b>Operating Revenues</b>			
NWSA			
Container	161.6	167.9	6.2
Non Container	18.3	19.8	1.4
Real Estate	12.1	12.8	0.7
Other	0.0	0.0	0.0
<b>Total Operating Revenues</b>	<b>192.0</b>	<b>200.4</b>	<b>8.3</b>
<b>Direct and Maintenance Expenses</b>			
Container	38.8	38.4	0.3
Non Container	10.4	11.3	(0.9)
Real Estate	0.8	0.6	0.2
Other	17.3	15.1	2.2
<b>Total Direct Expenses</b>	<b>67.2</b>	<b>65.4</b>	<b>1.8</b>
<b>Administration</b>	21.3	19.5	1.8
<b>Security</b>	4.0	3.9	0.2
<b>Environmental</b>	2.1	2.3	(0.3)
<b>Total Operating Expense before Depreciation</b>	94.7	91.2	3.5
<i>Operating Income before depreciation</i>	<i>97.4</i>	<i>109.2</i>	11.8
<b>Depreciation &amp; Amortization</b>	19.1	15.1	4.0
<b>Total Operating Expense</b>	<b>113.7</b>	<b>106.3</b>	<b>7.4</b>
<b>Income from Operations</b>	<b>\$78.3</b>	<b>\$94.1</b>	<b>\$15.8</b>
<i>Return on Revenue</i>	<i>40.8%</i>	<i>46.9%</i>	<i>6.2%</i>
Non Operating Income (Expense)	6.2	2.7	(3.5)
<b>Distributable Income before Special Item</b>	<b>84.5</b>	<b>96.8</b>	<b>12.2</b>
<b>Distributable Income</b>	<b>\$84.5</b>	<b>\$96.8</b>	<b>\$12.2</b>
<b>Distributable Cash</b>	<b>\$103.6</b>	<b>\$111.9</b>	<b>\$8.3</b>

May not foot due to rounding.

**2020 Forecast vs budget  
Revenue – proposed CMA  
agreement**

## Expenses

*Non- Container Direct– Increased  
longshore labor for Breakbulk  
business and building repairs at  
Pony*

*Admin– reduced allocations from  
the home ports*

*Environmental– Higher stormwater  
spending due to lawsuit*

*Depreciation – T5 not completed in  
July as originally budgeted*

*Non-Operating – delayed T5 permit  
requirement spending delaying  
grants and spending*





# 2021 Forecasted Project Spending *(\$ million)*

Project	Amount	Description
T5 Berth Modernization Construction	\$84.0	Phase 1 North berth, stormwater system, marine bldg N. & public expense projects
T18 Stormwater Utility Upgrade	5.3	
WUT Fender System Replacement	3.5	
T46 Dock Rehabilitation & Stormwater Improv.	3.9	
SH CBP Office Improvements	1.1	
Others	25.5	109 projects
<b>Total</b>	<b>\$123.3</b>	

Original 2021 CIP budget was \$152.6 million. Difference driven primarily by moving T5 phase 2 to 2022



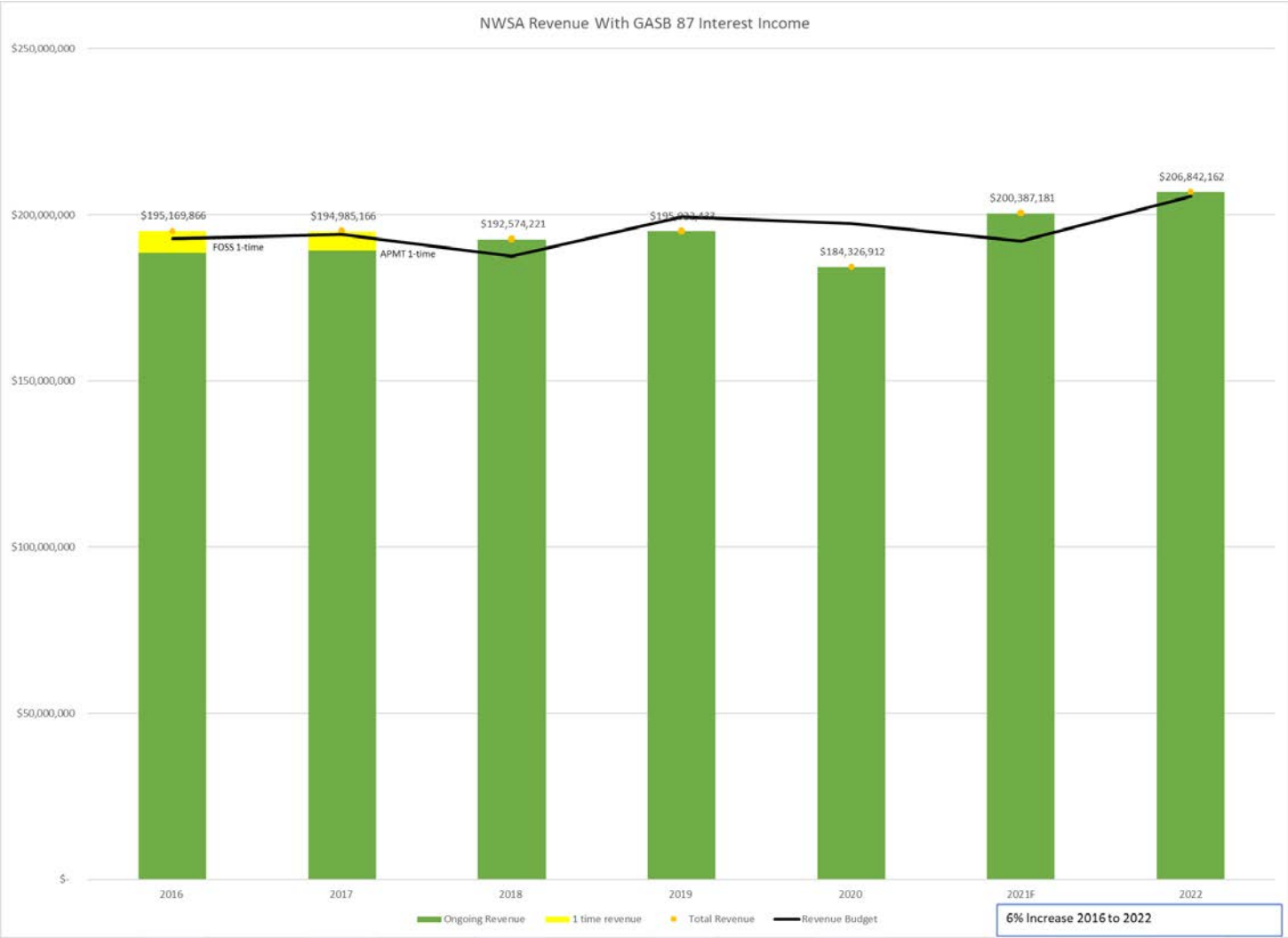
# 2022 Budget Preview

(\$ millions)

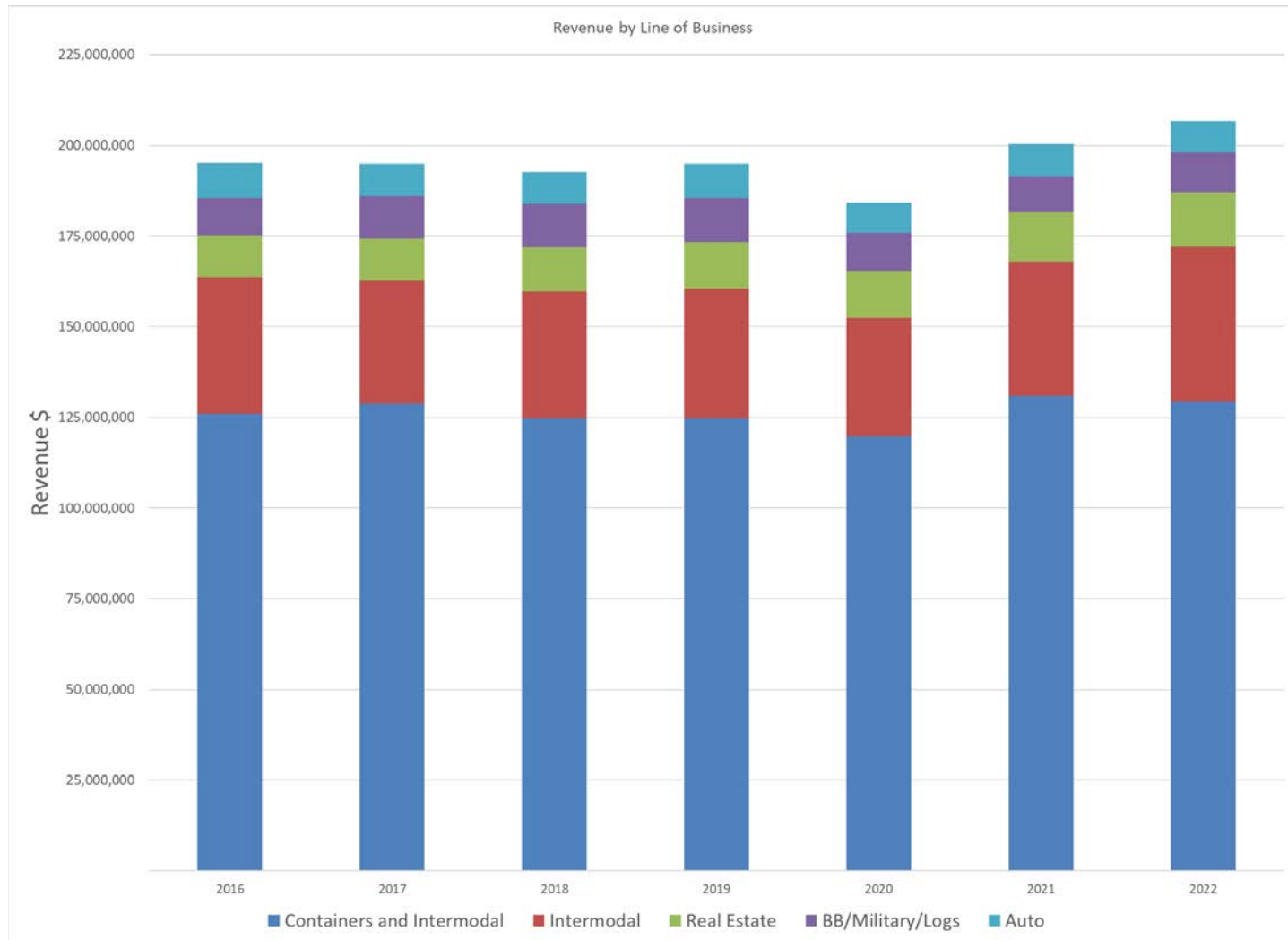
	2020 Actual	2021 Forecast	2022 Budget
<b>Operating Revenues</b>			
NWSA			
Container	152.5	167.9	172.1
Non Container	20.1	19.8	20.8
Real Estate	11.7	12.8	13.9
Other	0.0	0.0	0.0
<b>Total Operating Revenues</b>	<b>184.3</b>	<b>200.4</b>	<b>206.8</b>
<b>Direct and Maintenance Expenses</b>			
Container	42.4	38.4	40.9
Non Container	9.7	11.3	12.4
Real Estate	0.4	0.6	0.8
Other	16.5	15.1	17.7
<b>Total Direct Expenses</b>	<b>69.0</b>	<b>65.4</b>	<b>71.8</b>
<b>Administration</b>	18.2	19.5	20.0
<b>Security</b>	5.1	3.9	4.3
<b>Environmental</b>	1.4	2.3	3.1
<b>Total Operating Expense before Depreciation</b>	93.8	91.2	99.2
<i>Operating Income before depreciation</i>	<i>90.5</i>	<i>109.2</i>	<i>107.6</i>
<b>Depreciation &amp; Amortization</b>	13.8	15.1	23.2
<b>Total Operating Expense</b>	<b>107.6</b>	<b>106.3</b>	<b>122.4</b>
<b>Income from Operations</b>	<b>\$76.7</b>	<b>\$94.1</b>	<b>\$84.4</b>
<i>Return on Revenue</i>	<i>41.6%</i>	<i>46.9%</i>	<i>40.8%</i>
Non Operating Income (Expense)	0.8	2.7	14.4
<b>Distributable Income before Special Item</b>	<b>77.6</b>	<b>96.8</b>	<b>98.9</b>
<b>Distributable Income</b>	<b>\$77.6</b>	<b>\$96.8</b>	<b>\$98.9</b>
<b>Distributable Cash</b>	<b>\$91.4</b>	<b>\$111.9</b>	<b>\$122.1</b>
May not foot due to rounding.			



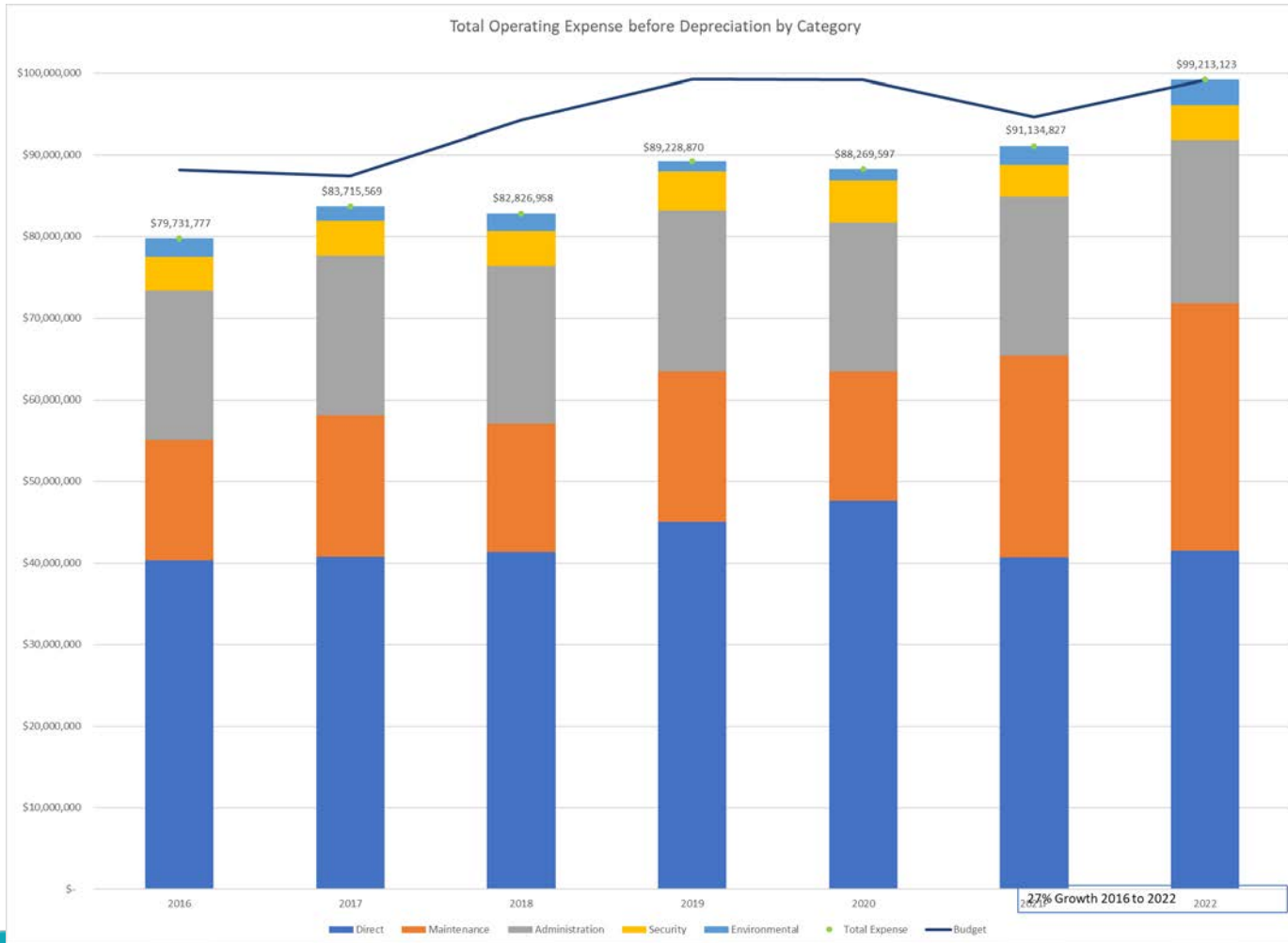
# 7-year History: Revenue



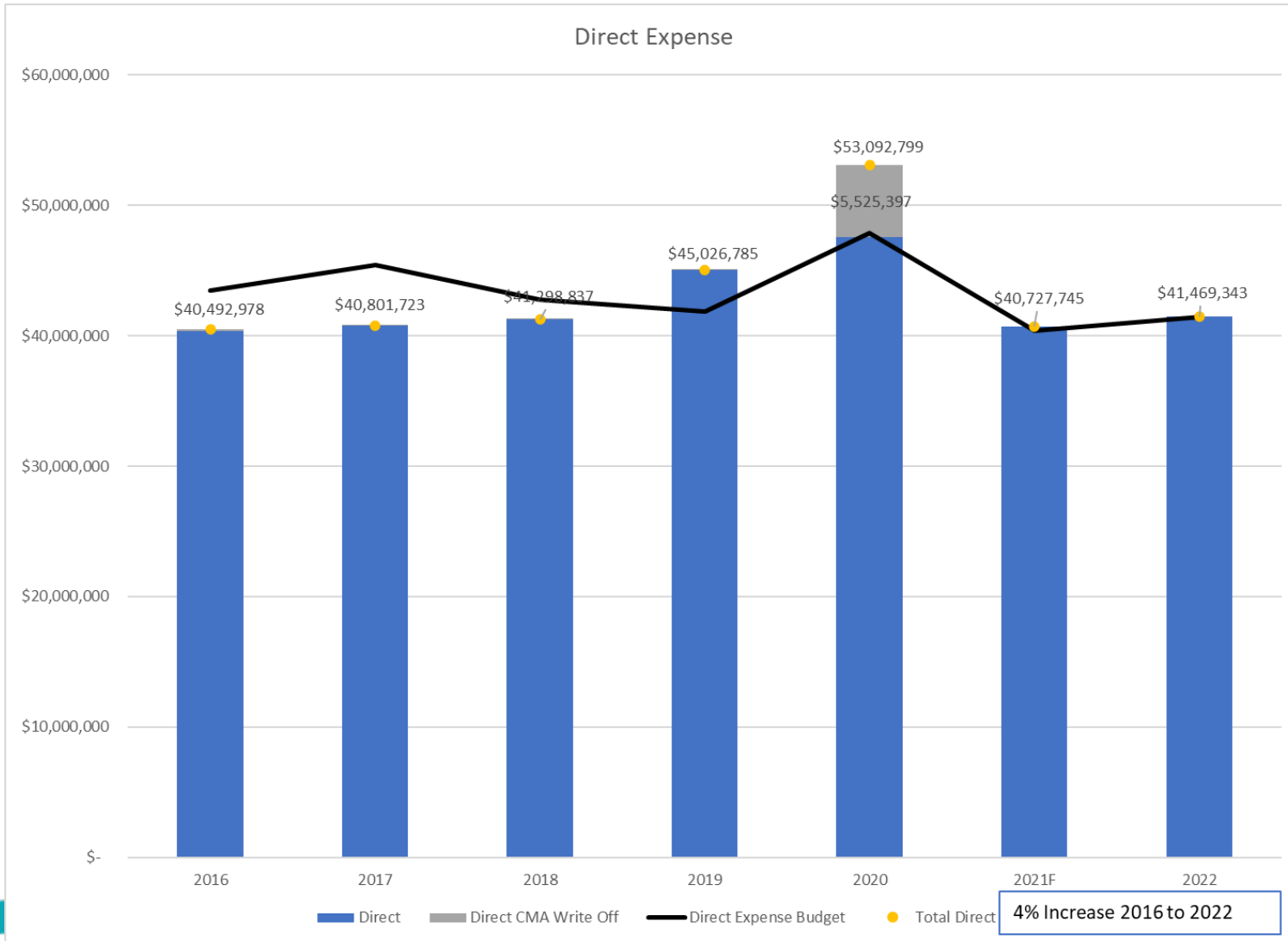
# Revenue by Line of Business



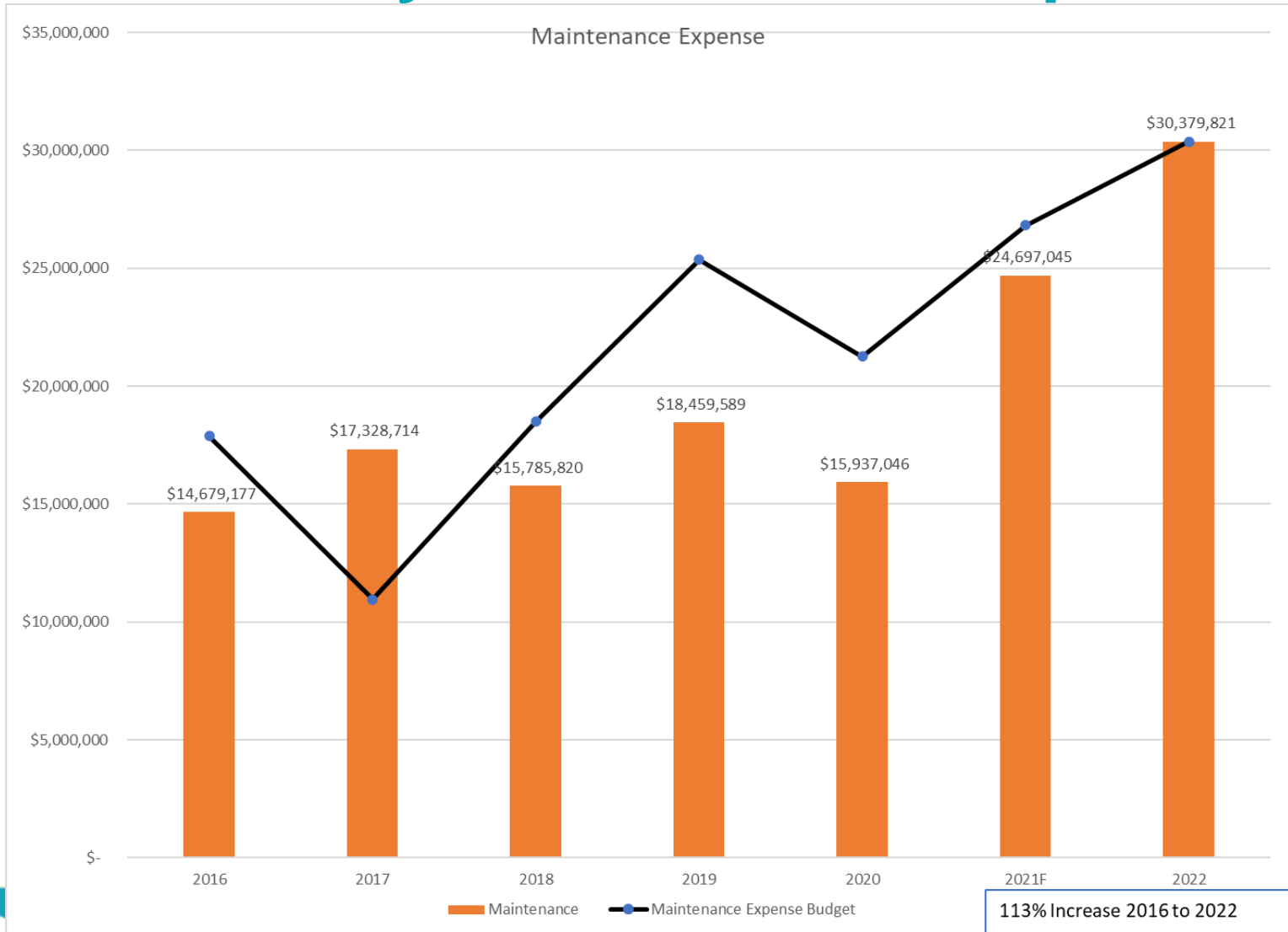
# Total Operating Expense before Depreciation



# 7-Year History: Direct Expense



# 7-Year History: Maintenance Expense



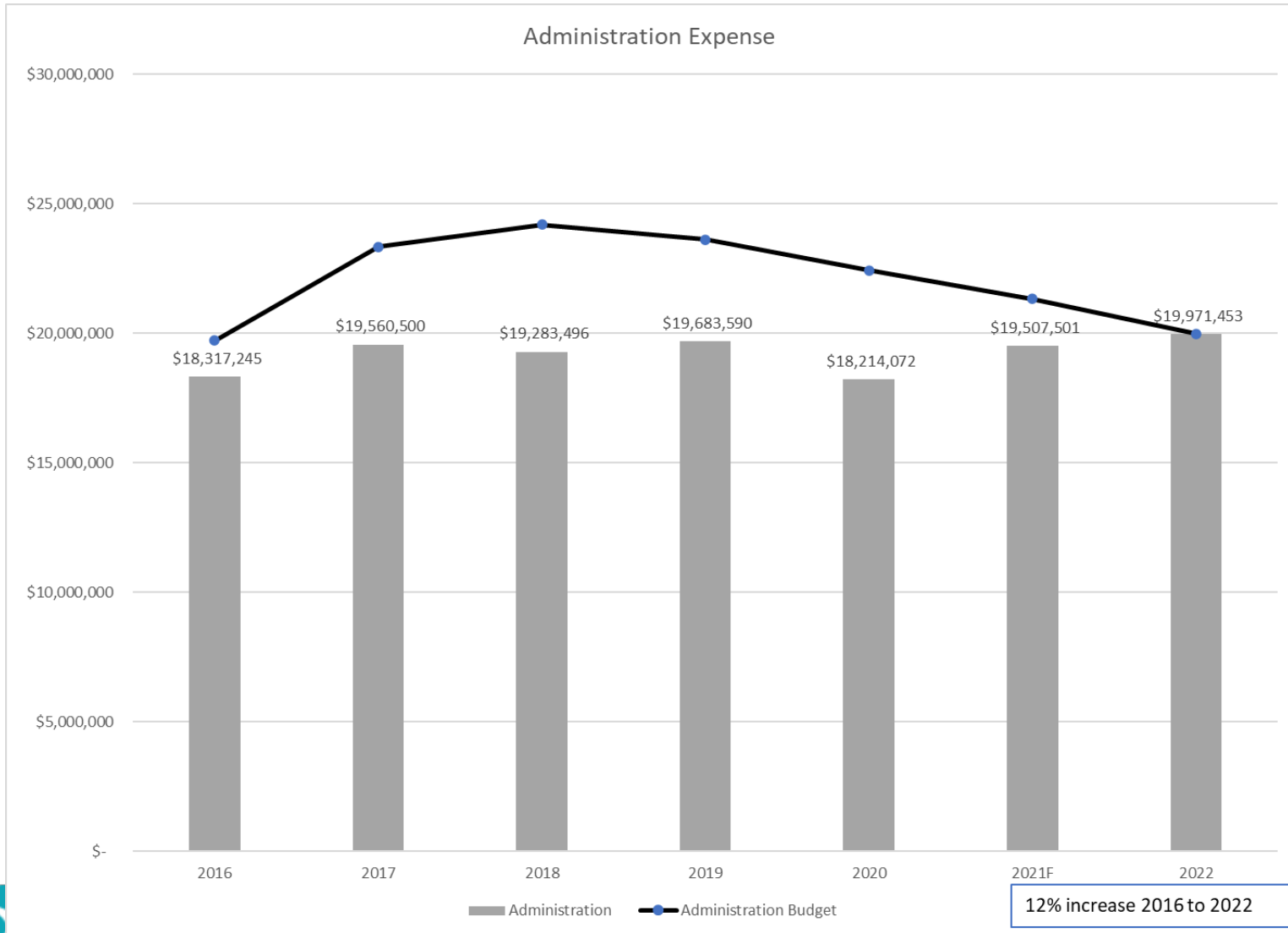
# 2021 & 2022 Maintenance expense projects

- **2021 major expensed projects total \$5.2M out of \$7.9M total**
  - T5 interim gate repair \$1.5M
  - T30 substation temporary power \$1.2M
  - WUT & Husky maintenance dredging \$1.2M – **HMT FUNDED**
  - PCT Paving \$0.9M
  - Pony location – Warehouse roof truss replacement \$0.8M
- **2022 major expense projects total \$10.3M of \$12.9M total**
  - \$3M unanticipated repairs placeholder – may or may not be spent
  - W. Sitcum crane rail and pier repair \$2.2M - **\$1.1M HMT FUNDED**
  - PCT paving \$1.5M
  - T30 & T18 maintenance dredging \$1M – **HMT FUNDED**
  - T5 interim gate repair \$0.9M
  - T5 management reserve \$0.9M
  - Seattle harbor electrical substation assessment \$0.8M





# 7-Year History: Admin Expenses



# 7-Year History: Security Expenses



# NWSA Payroll

	2020	2021 Budget	2021 Forecast	2022 Budget	Var from Forecast	% Var	Var from Prior Budget	%Var
Salary Wages	6,587,289	6,989,042	6,588,180	7,196,831	608,652	8%	207,789	3%
Hourly Wages	24,064	96,265	48,150	96,070	47,920	50%	(195)	-0%
OT Wages	1,891				0		0	
<b>Total Wages</b>	<b>6,613,243</b>	<b>7,085,307</b>	<b>6,636,330</b>	<b>7,292,901</b>	<b>656,571</b>	<b>9%</b>	<b>207,594</b>	<b>3%</b>
F.I.C.A.	456,483	483,662	512,344	516,923	4,579	1%	33,261	7%
S.U.I.	15,682	35,649	24,399	30,094	5,695	19%	(5,555)	-16%
Medical Benefits	1,399,709	1,496,204	1,452,798	1,726,081	273,284	16%	229,878	15%
Employee Pension	852,107	812,330	752,952	739,031	(13,921)	-2%	(73,299)	-9%
Other Benefits	(355,612)	313,361	306,622	313,837	7,215	2%	475	0%
<b>Total Benefits</b>	<b>2,368,370</b>	<b>3,141,206</b>	<b>3,049,115</b>	<b>3,325,966</b>	<b>276,852</b>	<b>8%</b>	<b>184,760</b>	<b>6%</b>
<i>Benefits % of Total</i>	<i>35.8%</i>	<i>44.3%</i>	<i>45.9%</i>	<i>45.6%</i>				
<b>Port Salaries &amp; Benefits</b>	<b>8,981,613</b>	<b>10,226,513</b>	<b>9,685,444</b>	<b>10,618,867</b>	<b>933,423</b>	<b>9%</b>	<b>392,354</b>	<b>4%</b>

- **\$145,915 for annual pay increases for salaried employees starting April. (3% increase)**
- **\$17,401 for annual recognition paid to salaried employees in April.**
- **\$17,401 for marketplace adjustment for salaried employees during the year.**
- **Hourly employees will receive a 3.5% raise in April per contract.**
- **Average Salary of \$126,558. Benefits of 46%**

# MEMBERSHIPS

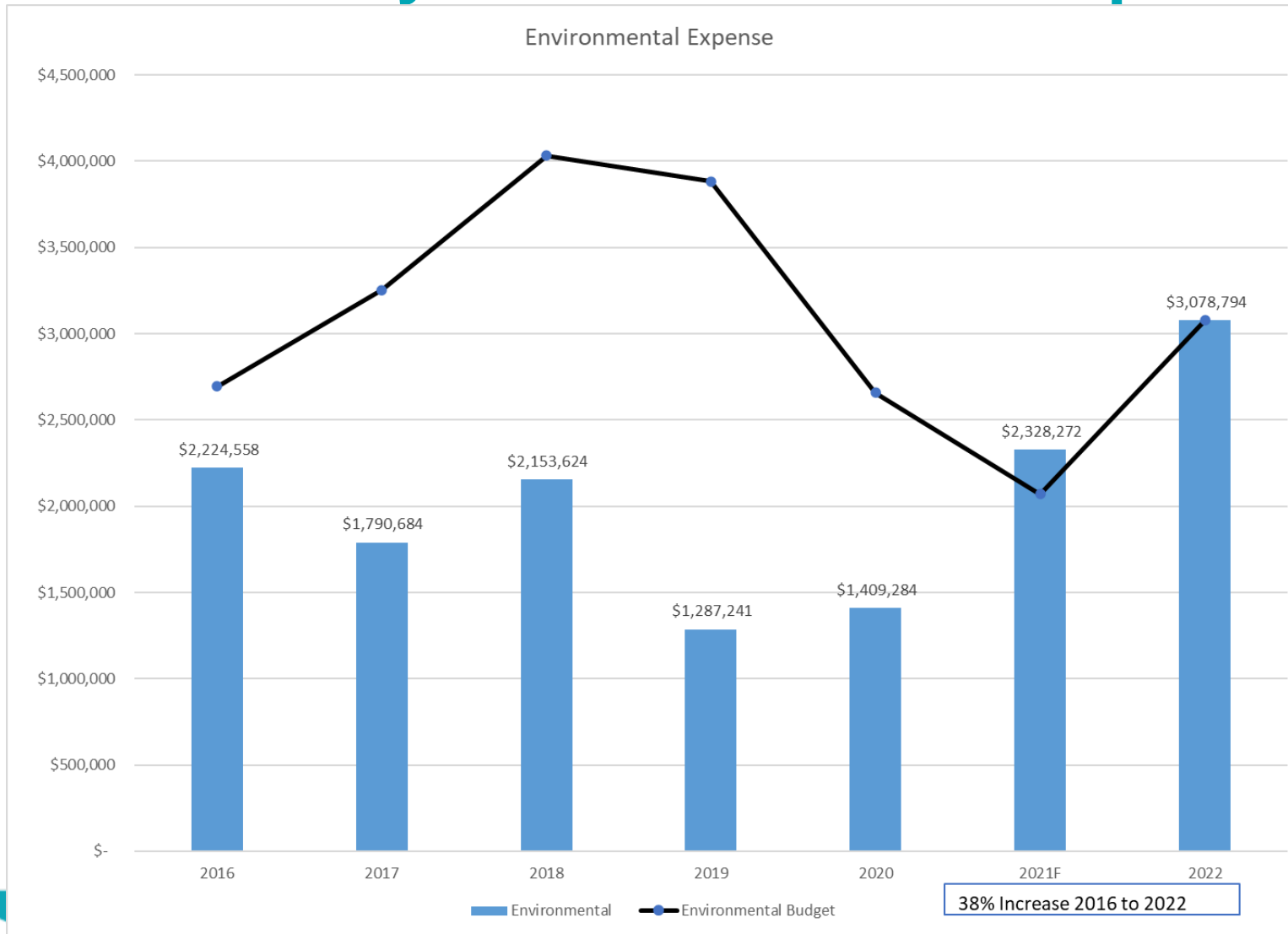
MM approval of NWSA Memberships over \$10,000 required per NWSA Master Policy

Organization	2020 Dues (budget)	2020 Dues (actual)	2021 Dues (budget)	2021 Dues (Forecast)	2022 Dues
American Association of Port Authorities	\$55,000	\$75,984	\$55,000	\$75,984	\$78,000
Pacific Northwest Waterways Association	30,000	36,630	31,100	30,740	31,670
WA Council on International Trade	20,000	20,000	20,000	20,000	20,000
International Association of Ports and Harbors	13,000	0	13,000	13,000	14,000
Green Marine	11,000	10,335	11,000	10,335	11,000
All Other Memberships under \$10,000	54,796	40,964	48,083	49,514	56,155
<b>Total NWSA Memberships</b>	<b>\$183,796</b>	<b>\$183,913</b>	<b>\$178,183</b>	<b>\$199,573</b>	<b>\$210,825</b>

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



# 7-Year History: Environmental Expenses



# NW Ports Clean Air Strategy: NWSA 2021-2025 Implementation Plan - Estimated Costs

Sector	Total Cost	NWSA \$\$\$	Industry \$\$\$ Needed	Industry \$\$\$ Secured	External \$\$\$ Needed	External \$\$\$ Secured	Total Funding Gap
<b>OGVs*</b>	\$38.9M	\$14.0M	\$0	\$0	\$24.8M	\$5.1M	\$11.3M
<b>Trucks</b>	\$10.8M	\$1.1M	\$1.7M	\$0	\$8M	\$.85M	\$19.8M
<b>CHE</b>	\$34.2M	\$4.5M	\$6.3M	\$1.3M	\$23M	\$.91M	\$27.5M
<b>Fleets &amp; Facilities</b>	\$3.8M	\$1.4M	\$0.75M	\$0	\$1.6M	\$.14	\$2.3M
<b>Cross-Cutting</b>	\$2.1M	\$1.6M	\$0	\$0	\$.45M	\$.2M	\$.2M
<b>TOTAL</b>	<b>\$89.8M</b>	<b>\$22.6M</b>	<b>\$8.7M</b>	<b>\$1.3M</b>	<b>\$58.4M</b>	<b>\$7.3M</b>	<b>\$58.6M</b>

\* Includes approved funding for Husky shore power and assumes 80% grant funding on T-18 project.

These projects are included in the operating and CIP budget, as are associated desired/required grants

# 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”**

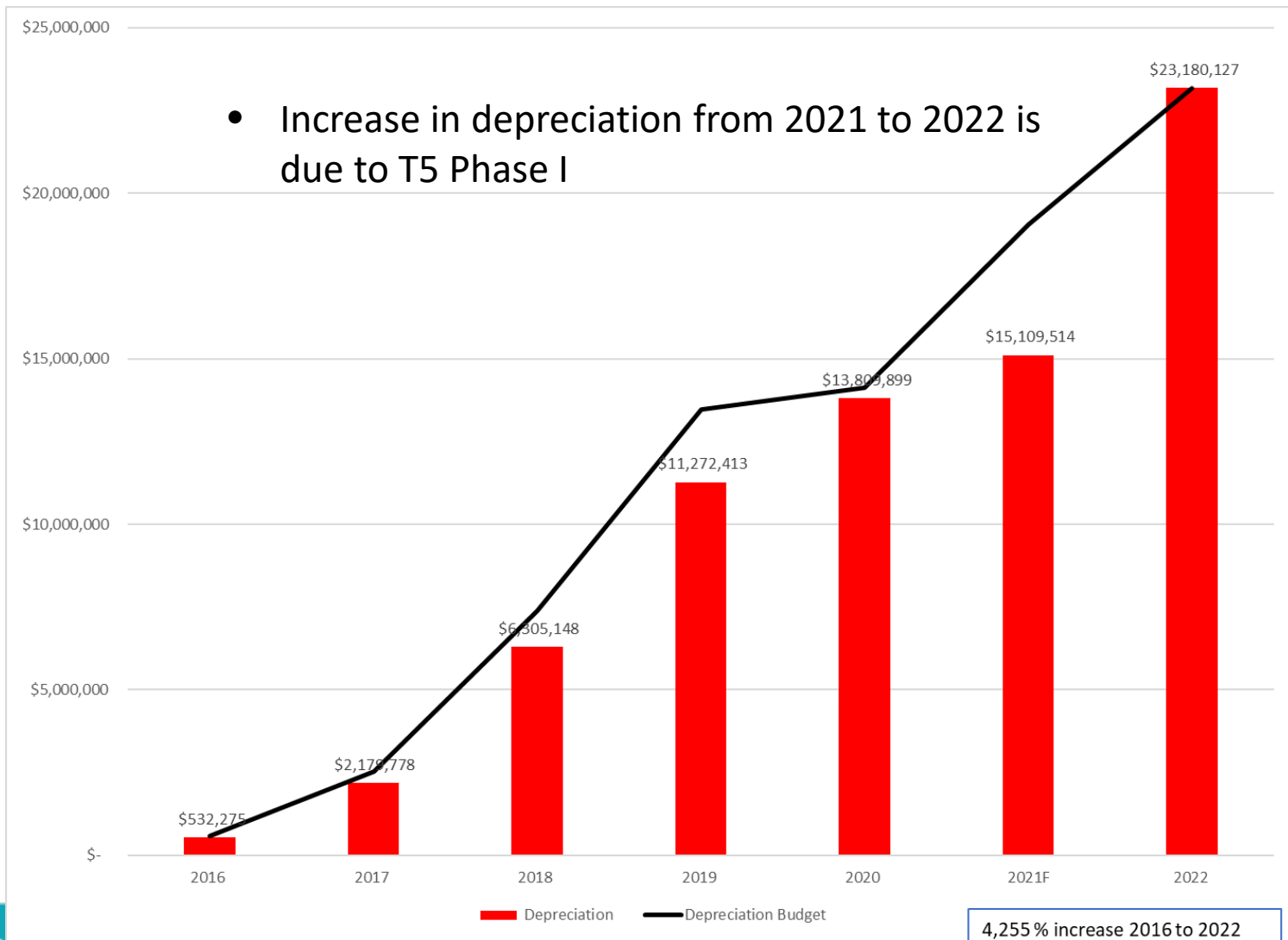
	2020	2021	2022
Hosting	\$11,474	\$83,940	\$209,410

2022 Statutory limit is \$542,105.



# NWSA Depreciation

- Increase in depreciation from 2021 to 2022 is due to T5 Phase I





# Budget Non Operating

(\$ millions)

	2020	2021	2021	2022
	Actual	Budget	Forecast	Budget
<b>Grant Income</b>				
Capital Grant Income	1.1	7.8	2.3	16.7
Non-Capital Grant Income	1.1	1.0	0.1	0.4
<b>Interest Income</b>				
Interest Income	1.6	0.5	0.9	0.4
Premium Discount	(0.2)	0.0	(0.0)	(0.1)
<b>Non Operating Income</b>				
Gain (Loss) Sale Facil	0.0	0.0	0.0	0.0
Purchase Discounts Taken	0.0	0.0	0.0	0.0
Misc Non Op Inc	0.2	0.0	4.2	0.0
<b>Investment Gain Loss</b>				
	0.2	0.0	(0.1)	0.0
<b>Non Operating Revenue</b>	<b>3.9</b>	<b>9.3</b>	<b>7.4</b>	<b>17.3</b>
<b>Other Non Operating Expense</b>				
Bank Service Fee	0.0	0.0	0.0	0.0
Public Expense/LEDIF	2.6	2.2	4.0	2.6
Misc Non Op Exp	0.4	0.9	0.7	0.3
<b>Non Operating Expense</b>	<b>\$3.1</b>	<b>\$3.1</b>	<b>\$4.8</b>	<b>\$2.9</b>
<b>Non Operating Revenue and Expenses</b>	<b>\$0.8</b>	<b>\$6.2</b>	<b>\$2.7</b>	<b>\$14.4</b>

CMA  
payment  
portion  
for 2020

T5  
public  
expense



# 2022 Grants and Public expenses

- **Grants \$17.1M**
  - T5 stormwater \$7.2M
  - T5 shorepower \$4.3M
  - T5 Reefer \$1.2M
  - Husky Shorepower \$2M
  - T5 IY \$0.8M
  - T18 shorepower \$0.5M
  - Truck scrap \$0.3M
- **Public Expenses \$2.6M related to T5 development**



# NWSA 2021 Budget and Four Year Forecast

(\$ millions)	2022	2023	2024	2025	2026
Operating Revenue	\$206.8	\$217.0	\$230.9	\$238.2	\$248.7
Total Operating Expenses before Dep.	(99.2)	(114.7)	(94.5)	(95.7)	(98.5)
Depreciation & Amortization	(23.2)	(27.3)	(31.5)	(35.5)	(37.1)
<b>Operating Income</b>	<b>84.4</b>	<b>75.1</b>	<b>104.9</b>	<b>107.0</b>	<b>113.2</b>
Grant Income	17.1	25.6	9.0	4.5	0.0
Other Non Operating Income	(2.7)	(4.9)	0.2	0.2	0.2
<b>Net Distributable Revenue</b>	<b>98.9</b>	<b>95.8</b>	<b>114.1</b>	<b>111.7</b>	<b>113.4</b>
Distributable Cash (calculated)	\$122.1	\$123.1	\$145.6	\$147.2	\$150.5
Bond Income	\$108.3	\$103.1	\$136.6	\$142.7	\$150.5

- 2023 will most likely include the final POS Affirmation payment for \$10M which will be added to distributable cash of \$123.1M
- HMT not shown as it does not get accounted for in the NWSA P&L
- 2023 increase due to dredging in both harbors to be offset by HMT funds



# Future Grants in 2023-2026 forecast

Description	Granting Agency	Secured Y/N	2023	2024	2025	2023-2025 Total
T18 Shorepower	TBD	N	13,200,000	6,600,000	-	19,800,000
T5 MARAD PIDP Grant Projects (Reefer, Paving)	US DOT/MARAD	Y	4,059,633	-	-	4,059,633
Electric Straddle Carriers	TBD	N	-	-	3,750,000	3,750,000
T5 Reefer Design & Construction North	Dept of Commerce	Y	3,116,500	-	-	3,116,500
SH Cargo Handling Equipment Zero Emission Infrastructure	TBD	N	1,750,000	-	-	1,750,000
T18 Shorepower	Dept of Ecology/Fed	Y	500,000	1,000,000	-	1,500,000
NH Cargo Handling Equipment Zero & Near Zero Emission Infrastructure	TBD	N	1,200,000	-	-	1,200,000
Energy Efficiency Project 2023	TBD	N	750,000	-	-	750,000
Energy Efficiency Project 2024	TBD	N	-	750,000	-	750,000
Energy Efficiency Project 2025	TBD	N	-	-	750,000	750,000
Infrastructure for Electric Straddle Carriers	TBD	N	-	600,000	-	600,000
Scrap Bonus	US EPA/DERA	Y	459,957	-	-	459,957
Husky Shore Power	Dept of Ecology	Y	396,122	-	-	396,122
T5 Stormwater Treatment System Phase 2 MARAD	US DOT/MARAD	Y	195,000	30,000	-	225,000
		<b>Total</b>	<b>25,627,212</b>	<b>8,980,000</b>	<b>4,500,000</b>	<b>39,107,212</b>
		<b>Secured</b>	<b>8,727,212</b>	<b>1,030,000</b>	<b>-</b>	<b>9,757,212</b>
		<b>Unsecured</b>	<b>16,900,000</b>	<b>7,950,000</b>	<b>4,500,000</b>	<b>29,350,000</b>

MM's will have to decide whether or not to continue with projects if the unsecured grants are not secured.



# 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 \$300,000 regardless of budget inclusion



## 2016 – 2021 Summary of CIP Spending

### Capital

Location	2016-2020	2021	2016-2021	Percentage
South Harbor	250,234,661	18,113,360	268,348,021	47%
North Harbor	194,038,409	104,643,700	298,682,109	53%
	444,273,070	122,757,060	567,030,130	

### Expense

Location	2016-2020	2021	2016-2021	Percentage
South Harbor	23,629,339	5,688,000	29,317,339	52%
North Harbor	21,582,475	5,689,000	27,271,475	48%
	45,211,814	11,377,000	56,588,814	

### Total

Location	2016-2020	2021	2016-2021	Percentage
South Harbor	273,864,000	23,801,360	297,665,360	48%
North Harbor	215,620,884	110,332,700	325,953,584	52%
	489,484,884	134,134,060	623,618,944	

\$30M difference mentioned during October 5<sup>th</sup> MM meeting



THE NORTHWEST  
SEAPORT ALLIANCE

SEATTLE + TACOMA



THE NORTHWEST  
SEAPORT ALLIANCE

# 2016-2026 Project spending split

## Capital

	2016-2020	2021-2026	2016-2025	Percentage
Location				
South Harbor	250,234,661	281,329,952	531,564,613	48.2%
North Harbor	194,038,409	377,711,804	571,750,213	51.8%
	444,273,070	659,041,756	1,103,314,826	

## Expense

	2016-2020	2021-2026	2016-2025	
South Harbor	23,629,339	57,102,402	80,731,741	59.4%
North Harbor	21,582,475	33,509,934	55,092,409	40.6%
	45,211,814	90,612,336	135,824,150	

## Total

	2016-2020	2021-2026	2016-2026	
South Harbor	273,864,000	338,432,355	612,296,355	49.4%
North Harbor	215,620,884	411,221,738	626,842,622	50.6%
	489,484,884	749,654,092	1,239,138,976	

## Grants/Contributions

	2016-2020	2021-2026	2016-2026	
South Harbor	(4,334,878)	(13,370,316)	(17,705,194)	22.0%
North Harbor	(17,732,734)	(45,161,940)	(62,894,673)	78.0%
	(22,067,612)	(58,532,256)	(80,599,867)	

## Net Cost

	2016-2020	2021-2026	2016-2026	
South Harbor	269,529,122	325,062,039	594,591,160	51.3%
North Harbor	197,888,150	366,059,798	563,947,949	48.7%
	467,417,272	691,121,837	1,158,539,109	

\$14M difference Seattle More before grants

\$30.6M difference Tacoma More after grants

- Most of the 2023-2026 spending has not been authorized.
- Some of the expensed attributed to south harbor cover both harbors (clean air projects)

# 2021 - 2026 CIP by Category *(\$ thousand)*

Group	2021 Forcst	2022	2023	2024	2025	2026	Total 2021-2026
Maintenance	22,523	12,901	52,052	56,925	30,650	99,650	274,701
T5	88,536	90,437	57,415	8,666	-	-	245,054
South Harbor Terminal Expansion						100,000	100,000
Environmental	2,537	4,091	10,869	21,434	18,484	2,777	60,192
Operational Upgrades	5,202	14,076	8,187	6,009	8,609	6,000	48,083
Husky	2,558	9,192	1,622	-	-	-	13,372
Support Systems	1,986	875	5,391	-	-	-	8,252
<b>Grand Total</b>	<b>123,342</b>	<b>131,572</b>	<b>135,536</b>	<b>93,034</b>	<b>57,743</b>	<b>208,427</b>	<b>749,654</b>

## Definitions

- **Maintenance = repair of existing asset**
- **T5 = \$390M authorized project plus intermodal improvements and proposed settlement of outstanding issues of \$15M. 2022-26 total only shown above**
- **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 and shore power**
- **Support Systems = CBP improvements**





# 2021 CIP Spending- Projects over \$1M (\$ thousand)

Project Name	2021 Forecast
T5 Berth Construction - Phase 1 (1,450' north)	56,314
T5 Stormwater Treatment System	17,492
T18 Stormwater Utility Upgrade	5,302
T5 Marine Building North	4,330
WUT Fender System Replacement	3,503
NWSA Unallocated Capital Improvements (placeholder)	2,530
T46 Dock Rehabilitation	2,364
T5 City Power Supply (public exp)	1,801
T46 Stormwater Improvements - Basin 2	1,543
T5 Interim Gate Complex Repair	1,503
T5 Gate Complex	1,313
T5 Rail Quiet Zone (public exp)	1,263
T30 Central Substation Temporary Power	1,234
SH CBP Office Improvements - TI	1,138
Wapato Creek Bridge & Culvert Removal	1,024
T5 Rail Tenant Reimbursable Improvements	1,000

Representing 86% of 2021 spending of \$121.2M

All these projects have been authorized by the MMs  
except the unallocated capital placeholder



# 2022 CIP Spending- Projects over \$1M (\$ thousand)

Projects to be authorized

Project Name	Total
T5 Berth Construction - Phase 2 (1,450' south)	46,000
T5 Stormwater Treatment System	12,543
T5 N Reefer Demarcation (no stage 2)	10,000
Terminal 3/4 Shorepower	9,192
T5 Marine Building South	4,150
→ NWSA Unallocated Capital Improvements (placeholder)	3,000
→ NWSA Unanticipated Repairs/Misc Expenses (placeholder)	3,000
→ PCT Reefer Expansion	2,890
T30 Central Substation Replacement	2,850
T5 Reefer Design & Construction North	2,654
T5 Intermodal Yard Improvements	2,550
T5 Gate Complex	2,270
→ PCT Fender Replacement	2,200
T5 CBP RPM Redeployment (named changed on v4 per project detail report)	2,000
T5 Rail Tenant Reimbursable Improvements	2,000
→ EB1 Yard Reconfiguration	1,750
→ T5 Management Reserve - capital	1,750
PCT Operating Pavement Repair (2018-22)	1,500
T5 Rail Quiet Zone (public exp)	1,471
→ W. Sitcum Crane Rail Rehab	1,150
→ W. Sitcum Pier Repairs	1,145
→ T18 Shore Power Design	1,000

Representing 89% of 2022 spending of \$131.6M

# Maintenance Projects over \$1M

(\$ thousand)

Project Name	2021 Forcst	2022	2023	2024	2025	2026	Sum of 2021-2026
WUT Berth Area Dredging	-	-	-	-	-	81,000	81,000
T18 Full Dock Rehabilitation	15	600	17,600	51,000	-	-	69,215
T46 NW Bulkhead Replacement	-	-	1,000	2,000	10,000	8,000	21,000
Husky Berth Area Dredging	-	-	-	-	19,000	-	19,000
T30 Dock Rehabilitation	-	-	-	-	-	9,500	9,500
T18 Maintenance Dredging	-	640	7,900	-	-	-	8,540
PCT Maintenance Dredging	158	225	7,300	-	-	-	7,683
T18 Stormwater Utility Upgrade	5,302	-	-	-	-	-	5,302
PCT Operating Pavement Repair (parent MID)	-	-	1,500	1,500	900	900	4,800
T30 Maintenance Dredging	-	320	4,189	-	-	-	4,509
T30 Central Substation Replacement	183	2,850	1,000	-	-	-	4,033
WUT Fender System Replacement	3,503	-	-	-	-	-	3,503
T46 N. Substation #1 Replacement	100	500	2,600	-	-	-	3,200
T46 Dock Rehabilitation	2,364	60	-	-	-	-	2,424
PCT Operating Pavement Repair (2018-22)	900	1,500	-	-	-	-	2,400
T18 Bollard Upgrade	15	150	500	1,000	500	-	2,165
T18 North Bullrail & Structural Pier Repairs	15	150	1,850	-	-	-	2,015
USACE Tacoma Harbor Deepening Design (Husky & WUT)	-	300	1,200	500	-	-	2,000
T46 Stormwater Improvements - Basin 2	1,543	60	-	-	-	-	1,603
T46 Central Lighting Controls	-	-	1,500	-	-	-	1,500
T30 Central Substation Temporary Power	1,234	200	35	-	-	-	1,469
W. Sitcum Crane Rail Rehab	175	1,150	-	-	-	-	1,325
Murray Pacific Environmental Cap Repair (parcel 25)	-	250	250	250	250	250	1,250
W. Sitcum Pier Repairs	100	1,145	-	-	-	-	1,245
T7 Berth B-D Ship Service Water Line Replacement	-	-	1,180	-	-	-	1,180
T18 Water Main & Valve Replacement	-	-	1,143	-	-	-	1,143
Wapato Creek Bridge & Culvert Removal	1,024	-	-	-	-	-	1,024

← Eligible for HMT funds (all or in part)

Representing 96% of \$274.7M



# T5 Projects over \$1M

(\$ thousand)

Project Name	2021 Forcst	2022	2023	2024	2025	2026	Sum of 2021-2026
T5 Berth Construction - Phase 2 (1,450' south)	-	46,000	13,000	590	-	-	59,590
T5 Berth Construction - Phase 1 (1,450' north)	56,314	-	-	-	-	-	56,314
T5 Stormwater Treatment System	17,492	12,543	459	-	-	-	30,494
T5 Management Reserve - capital	250	1,750	10,000	6,070	-	-	18,070
T5 Reefer Design & Construction North	492	2,654	14,500	-	-	-	17,646
T5 Gate Complex	1,313	2,270	8,900	2,000	-	-	14,483
T5 N Reefer Demarcation	-	10,000	-	-	-	-	10,000
T5 Rail Quiet Zone (public exp)	1,263	1,471	2,624	-	-	-	5,358
T5 Scales & Utilities	-	-	5,000	-	-	-	5,000
T5 Marine Building South	-	4,150	200	-	-	-	4,350
T5 Marine Building North	4,330	-	-	-	-	-	4,330
T5 Rail Tenant Reimbursable Improvements	1,000	2,000	-	-	-	-	3,000
T5 Intermodal Yard Improvements	300	2,550	100	-	-	-	2,950
T5 Interim Gate Complex Repair	1,503	947	-	-	-	-	2,450
T5 CBP RPM Redeployment	-	2,000	-	-	-	-	2,000
T5 Management Reserve - expense	125	875	1,000	-	-	-	2,000
T5 City Power Supply (public exp)	1,801	-	-	-	-	-	1,801
T5 W Marginal Way SW Closure (public exp)	68	484	961	-	-	-	1,513
T5 Pedestrian Pathway (public exp)	11	335	665	-	-	-	1,011

Representing 99% of \$245.1M

← \$2.75M of 2021 HMT funds received for the Seattle harbor to be applied to the T5 Phase I construction for the toe wall. Expect to apply a similar amount in 2022 to the Phase 2 berth toe wall

# Operational Upgrade Projects over \$1M

(\$ thousand)

Project Name	2021 Forcst	2022	2023	2024	2025	2026	Sum of 2021-2026
NWSA Unallocated Capital Improvements (placeholder)	2,530	3,000	3,000	3,000	3,000	3,000	17,530
NWSA Unanticipated Repairs/Misc Expenses (placeholder)	263	3,000	3,000	3,000	3,000	3,000	15,263
PCT Reefer Expansion	47	2,890	-	-	-	-	2,937
PCT Fender Replacement	-	2,200	578	-	-	-	2,778
EB1 Yard Reconfiguration	53	1,750	816	-	-	-	2,619
T25 Dock Rehabilitation	-	-	-	-	2,600	-	2,600

Representing 91% of \$48.1M

← Eligible for HMT funds (all or in part)



# Environmental Projects over \$1M *(\$ thousand)*

Project Name	2021 Forcst	2022	2023	2024	2025	2026	Sum of 2021-2026
T18 Shore Power Construction	-	-	-	16,282	10,297	-	26,579
NW Ports Clean Air Strategy	445	500	1,100	1,100	1,100	1,100	5,345
Electric Straddle Carriers	-	-	-	-	5,000	-	5,000
SH Cargo Handling Equipment Zero Emission Infrastructure	-	-	3,490	-	-	-	3,490
NH Cargo Handling Equipment Zero & Near Zero Emission Infrastructure	-	-	2,400	-	-	-	2,400
Soundkeeper/APMT Clean Water Lawsuit	856	661	280	280	-	-	2,077
T18 Shore Power Design	16	1,000	500	500	-	-	2,016
NWSA MS4 Projects	200	250	300	300	300	300	1,650
Infrastructure for Electric Straddle Carriers	-	-	-	1,200	-	-	1,200
NWSA ISGP Projects	193	175	205	205	205	205	1,188
NWSA Clean Truck Program	182	285	172	172	172	172	1,155
Air Pollutant Emissions Inventory	20	360	150	-	-	600	1,130
Energy Efficiency Project 2023	-	-	1,000	-	-	-	1,000
Energy Efficiency Project 2024	-	-	-	1,000	-	-	1,000
Energy Efficiency Project 2025	-	-	-	-	1,000	-	1,000

Representing 93% of \$60.2M



# Husky Projects & SH Terminal Expansion

(\$ thousand)

Project Name	2021 Forcst	2022	2023	2024	2025	2026	Sum of 2021-2026
Terminal 3/4 Shorepower	421	9,192	1,622	-	-	-	11,235
Husky Tenant Improvements	2,137	-	-	-	-	-	2,137
<b>Grand Total</b>	<b>2,558</b>	<b>9,192</b>	<b>1,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,372</b>

Group	2021 Forcst	2022	2023	2024	2025	2026	Total 2021-2026
South Harbor Terminal Expansion						100,000	100,000



# Support Systems Projects over \$1M

*(\$ thousand)*

Project Name	2021 Forcst	2022	2023	2024	2025	2026	Sum of 2021-2026
T106 CBP Office & Facility Renovation	70	850	5,391	-	-	-	6,311
SH CBP Office Improvements - TI	1,138	-	-	-	-	-	1,138

Representing 90% of \$8.3M





# CIP Budget Summary

- **2022-2026 5-year CIP totals \$626 million**
- **2021-2026 6-year CIP totals \$750 million**
- **2022 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 2023-2026**



# Budget Summary

- **2021 Net Distributable Revenue is projected to be \$96.8 million, \$8.3 million above budget level of \$84.5 million. Distributable cash of \$114.3 million**
- **2022 Net Distributable Revenue is projected to be \$98.9 million. Distributable cash of \$122.1 million**
- **2021 and 2022 are years impacted with investments in infrastructure to support future growth**
- **Both years are projected to achieve required bond income**
- **Both years are projected to provide over \$110M in cash to be split by the two homeports**

