

NOTICE - NWSA MANAGING MEMBER SPECIAL MEETING

On Thursday, October 15, 2026, at 10:00 a.m. the Managing Members of The Northwest Seaport Alliance will hold a special meeting. The meeting location is The Conference Center at SEA, 17801 International Blvd. Seattle, WA (Inside Seattle-Tacoma International Airport – mezzanine level) and the meeting will be streamed on the NWSA public website:

<http://www.nwseaportalliance.com/about-us/governance>.

The purpose of the special meeting is to review the 2026 and future year cargo forecast, the 2026 operating and capital spending forecast, the proposed 2027 Northwest Seaport Alliance (NWSA) operating budget, the 2028-2031 operating forecast, the proposed 2027-2031 Capital Investment Plan (CIP), and the 2027 Service Level Agreements.

AGENDA

1. Call to Order – 10:00 AM
2. Study Session - Cargo Forecast and Budget
3. Adjourn

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No. 2

Date of Meeting October 15, 2026

DATE: October 1, 2026

TO: Managing Members

FROM: John Wolfe, CEO

Sponsors: David Morrison, CFO

Tong Zhu, Chief Commercial & Strategy Officer

SUBJECT: **2026 & Future Year Cargo Forecast**
2027-2031 Capital Investment Plan
2026 Operating and Capital Spending Forecast
2027 Operational Budget & 28-2031 Forecast; and
2027 Service Level Agreements

A. SYNOPSIS

The study session will review the 2026 and future year cargo forecast, the 2026 operating and capital spending forecast, the proposed 2027 Northwest Seaport Alliance (NWSA) operating budget, the 2028-2031 operating forecast, the proposed 2027-2031 Capital Investment Plan (CIP), and the 2027 Service Level Agreements.

B. BACKGROUND

The NWSA operating budget and CIP implement the business plan and are important components of each Homeport budget. This session will review the cargo forecast, the 2027-2031 CIP, the forecast for 2026 operating and capital spending, the proposed 2027 operating budget, the 2028-2031 operating forecast, and the 2027 Service Level Agreements in preparation for the budget adoption meeting on October 30, 2026.

C. ATTACHMENTS TO THIS REQUEST

- 2026 and Future Year Cargo Forecast Presentation
- Draft 2026-2031 CIP list by location
- Draft 2027 NWSA Budget Study Session Presentation
- Draft 2027 NWSA Budget Document
- Draft 2027 Port of Seattle (POS) Service Level Agreements
- Draft 2027 Port of Tacoma (POT) Service Level Agreements
- Draft 2027 POT/POS/NWSA Interlocal Agreement for Inter-Group Common Issues

D. NEXT STEPS

- POT Budget Study Session Thursday, October 29th
- NWSA Budget Adoption Friday October 30th
- POS Budget Public Hearing Tuesday November 10th
- POT Budget Adoption Tuesday November 17th
- POS Budget Adoption Tuesday November 17th

Meeting Date: Oct. 15, 2026

5-Year Cargo Forecast (2027-2031)



THE NORTHWEST
SEAPORT ALLIANCE
SEATTLE + TACOMA

Tong Zhu, Chief Commercial & Strategy Officer
Larry Kvidera, Director-Marketing & Business Services – Commercial Team
LaTonja Brown, Market & Business Analyst – Commercial Team

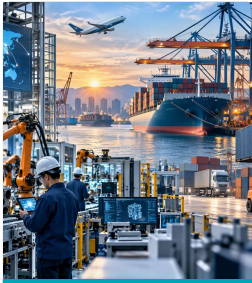
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Global Economic & Trade Outlook

Forces shaping cargo demand and market opportunity



01
Global economic growth



02
Manufacturing & merchandise trade



03
Performance of key trading partners



04
Overseas demand for U.S. exports

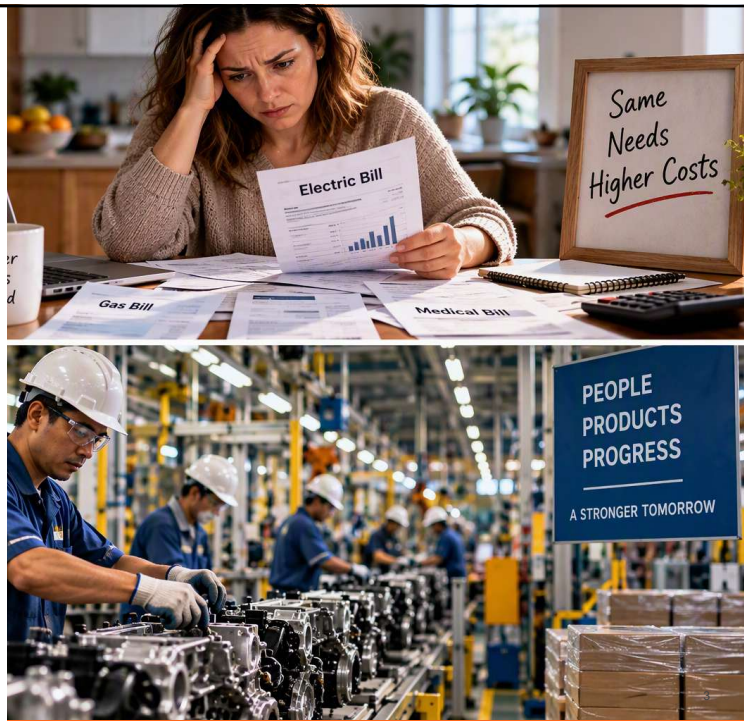
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Domestic Economy: Consumer Caution vs. Business Investment Strength

Economic indicators and expectations for future demand

- Consumers remain cautious amid affordability challenges
- Spending is holding up, but households are increasingly stretched
- Business investment continues to drive economic growth
- Cargo demand is supported by investment even as consumer spending moderates



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DISRUPTORS RESHAPING CARGO FLOWS

External pressures can shift demand, timing, routing, and gateway opportunity



01 Tariffs & Trade Policy

Impacts to demand, timing and sourcing strategies

POLICY SHOCK



02 Chokepoints

Economic impacts and effects on shipping

PHYSICAL CONSTRAINT



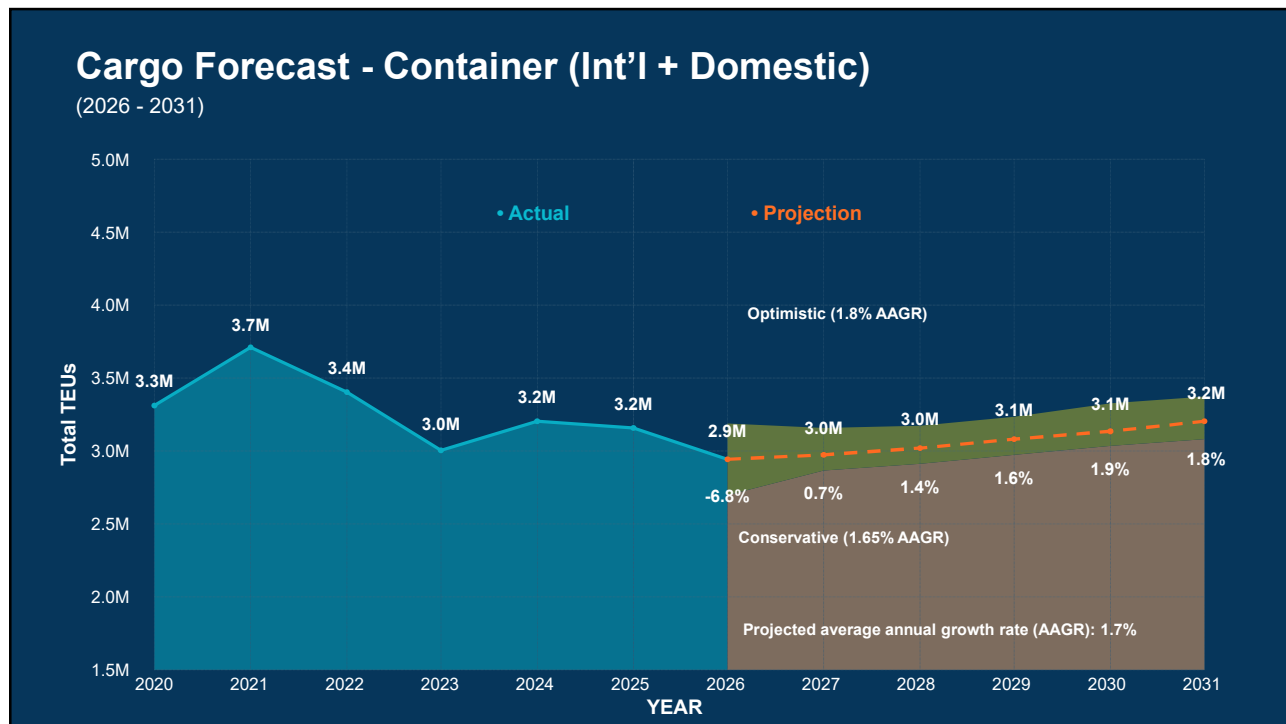
03 Structural Change

Enduring shifts in trade lanes, networks and supply chains

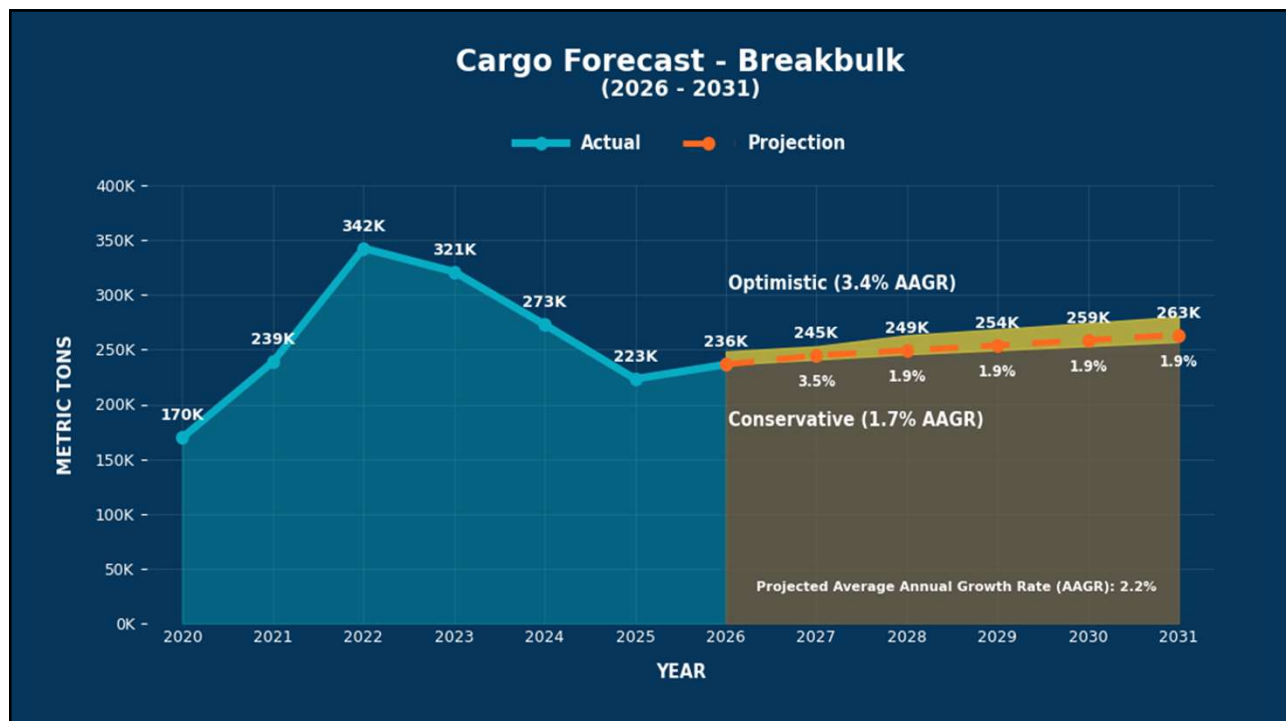
LONG-TERM REALIGNMENT

GLOBAL TRADE OUTLOOK 4

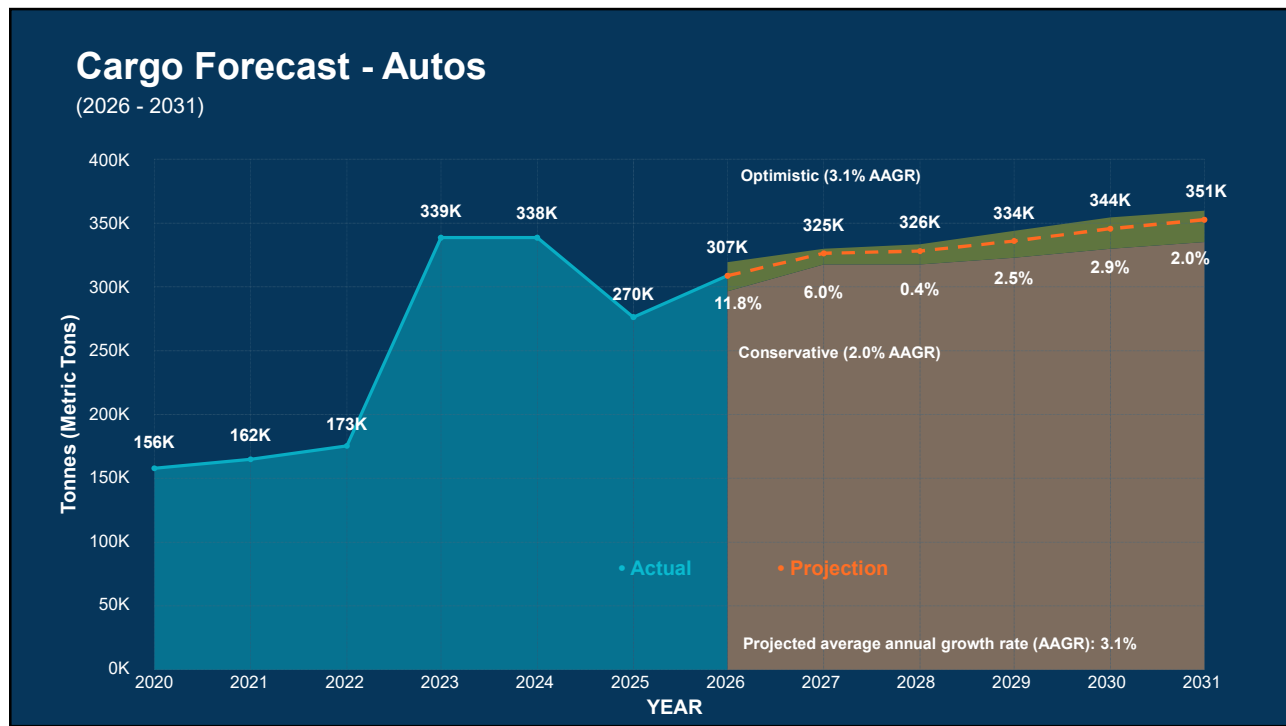
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DRAFT 2026 - 2031 NWSA CIP PROJECTS by Location

Location/ Dept	Project Name	2026 Forecast	2027	2028	2029	2030	2031	Total 2026-31 Budget
1712 Lincoln Ave	1712 Lincoln Ave LED Conversion	-	180,000	-	-	-	-	180,000
1712 Lincoln Ave Total		\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000
3701 Taylor Way	3701 Taylor Way Warehouse Demolition	-	-	2,322,000	-	-	-	2,322,000
3701 Taylor Way Total		\$ -	\$ -	\$ 2,322,000	\$ -	\$ -	\$ -	\$ 2,322,000
8th Ave Park	8th Ave Park Shoreline Erosion	386	-	-	-	-	-	386
8th Ave Park Total		\$ 386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386
AirQuality	Annual Emissions Inventory & GHG (parent MID)	75,000	225,000	-	300,000	-	300,000	900,000
	FY23 DERA Grant Scrap Bonus Program	350,525	123,792	-	-	-	-	474,317
	Green Marine Certification	-	7,500	-	10,000	-	-	17,500
	NW Ports Clean Air Strategy	120,000	90,000	121,000	127,000	134,000	-	592,000
	NWPCAS ZE Cargo Handling Support	50,000	45,000	-	-	-	-	95,000
	NWPCAS ZE Truck Support	252,000	180,000	276,000	290,000	304,000	-	1,302,000
	NWPCAS ZE Vessel Support	135,700	150,000	221,000	232,000	243,000	-	981,700
	NWSA Clean Truck Program (parent MID)	12,000	9,000	12,000	12,000	12,000	12,000	69,000
	NWSA Environmental Sustainability Initiatives - General	22,048	75,000	129,000	-	-	-	226,048
	Terminal ZE Materplanning (allowance)	-	375,000	500,000	500,000	-	-	1,375,000
	ZE CHE Incentive Program	-	-	1,000,000	1,000,000	1,000,000	-	3,000,000
	ZE Drayage Incentive - WSDOT CCA grant	-	6,240,000	-	-	-	-	6,240,000
	Zero Emission Truck Collaborative Second Phase	150,000	75,000	-	-	-	-	225,000
AirQuality Total		\$ 1,167,273	\$ 7,595,292	\$ 2,259,000	\$ 2,471,000	\$ 1,693,000	\$ 312,000	\$ 15,497,565
AWC	1918 Lincoln Auto Lot Drainage Improvements	107,673	350,000	-	-	-	-	457,673
	AWC LED Conversion	-	850,000	-	-	-	-	850,000
AWC Total	Marshall Avenue Auto Facility Pavement Maintenance Program 2026 - 2030	\$ 659,941	\$ 890,000	\$ 552,000	\$ 573,000	\$ 542,000	\$ -	\$ 3,216,941
Blair Terminal	Blair Dock Cleat Replacement (HMT eligible)	-	300,000	200,000	-	-	-	500,000
	Blair Terminal Deepening (Design)	-	-	100,000	-	-	-	100,000
	Blair Terminal Fender Upgrades(HMT eligible)	87,442	3,400,000	512,558	-	-	-	4,000,000
	Blair Terminal Fender Repairs 2026(HMT eligible)	150,000	-	-	-	-	-	150,000
Blair Terminal Total		\$ 237,443	\$ 3,700,000	\$ 812,558	\$ -	\$ -	\$ -	\$ 4,750,001
Contribution	Zero Emission Drayage Demonstration Program	-	-	420,000	-	-	-	420,000
E. Siftum		\$ -	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000
E. Siftum Total	Cranes IHI 2078 and Sumitomo 2403 Demolition	286,220	-	-	-	-	-	286,220
EB1	EB1 Drainage Repair	100,001	-	-	-	-	-	100,001
	EB1 EV Charging Infrastructure	200,000	400,000	2,400,000	-	-	-	3,000,000
	EB1- Gate Reconfiguration	100,000	-	-	-	-	-	100,000
	EB1 Leased Area Pavement Repairs	30,000	-	-	-	-	-	30,000
	EB1 Yard Reconfiguration	3,450	-	-	-	-	-	3,450
	EB1 ZE Equipment	266,029	584,000	-	-	-	-	850,029
	EB1 ZE Infrastructure	454,660	1,000,000	335,340	-	-	-	1,790,000
	EB1 ZE Masterplanning	127,741	206,250	-	-	-	-	333,991
	EB1-Loading Ramps for RO-RO Cargo.	-	200,000	-	-	-	-	200,000
	EB1 Damaged Wharf Repairs	50,000	-	-	-	-	-	50,000
EB1 Total		\$ 1,331,880	\$ 2,390,250	\$ 2,735,340	\$ -	\$ -	\$ -	\$ 6,457,470
Environmental	CFI Grant-ZE Trucks	219,000	166,500	-	-	-	-	385,500
	NIM ISGP Source Evaluation L2	28,595	-	-	-	-	-	28,595
	NWSA Environmental Analysis for Potential Port Development	36,000	27,000	36,000	36,000	36,000	-	171,000
Environmental Total		\$ 283,595	\$ 193,500	\$ 36,000	\$ 36,000	\$ 36,000	\$ -	\$ 585,095
Habitat/Open Space	Jack Block Park Pier & Plaza Replacement	409,667	1,214,000	2,380,000	5,400,000	-	-	9,403,667

DRAFT 2026 - 2031 NWSA CIP PROJECTS by Location

Location/ Dept	Project Name	2026 Forecast	2027	2028	2029	2030	2031	Total 2026-31 Budget
Habitat/Open Space Total		\$ 409,667	\$ 1,214,000	\$ 2,380,000	\$ 5,400,000	\$ -	\$ -	\$ 9,403,667
Husky								
	Husky - Paint Building 5	-	-	232,000	-	-	-	232,000
	Husky Area A5 & A6 Paving Repair	1,021,312	4,500,000	-	-	-	-	5,521,312
	Husky Basin 8 SW Treatment Upgrade	25,000	182,000	-	-	-	-	207,000
	Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	532,344	2,340,000	13,260,000	5,070,000	-	-	21,202,344
	Husky Crane North Vault Plug In	477,856	-	-	-	-	-	477,856
	Husky Maintenance Tower Roof Leak	7,002	-	-	-	-	-	7,002
	Husky Pier 3 Additional Crane Rail Removal	51,037	-	-	-	-	-	51,037
	Husky Terminal Expansion	557,184	5,800,000	5,700,000	5,000,000	1,000,000	-	18,057,184
	Husky Top Pick Area Shoreline Repair	104,582	-	-	-	-	-	104,582
	Pier 3 and Pier 4 Maintenance Dredging 2026 (HMT Eligible)	255,876	100,000	-	-	-	-	355,876
	Pier 3 Bulkhead Paving	19,355	-	-	-	-	-	19,355
	Pier 3 Crane Rail Repair	100,000	-	-	-	-	-	100,000
	Pier 3/4 Maintenance Dredging (HMT eligible)	606	-	-	-	-	-	606
	Terminal 3/Terminal 4 (Husky) Shore Power	316,283	400,000	-	-	-	-	716,283
	Husky Berth Area Dredge/ToeWall (Dredge not HMT eligible) Const	-	660,000	3,740,000	1,430,000	-	-	5,830,000
	Husky Pavement Reconstruction	-	1,019,500	1,019,500	-	-	-	2,039,000
	Husky Terminal 4 Hatch Cover Damaged Pavement Improvements(Design only)	-	150,000	-	-	-	-	150,000
Husky Total		\$ 3,468,436	\$ 15,151,500	\$ 23,951,500	\$ 11,500,000	\$ 1,000,000	\$ -	\$ 55,071,436
IT								
	Data Consolidation & Reporting	100,000	900,000	-	-	-	-	1,000,000
	PCS: Truck Experience Measurement- Implementation	-	500	700,000	500,000	-	-	1,200,500
	Terminal Operating System	-	-	800,000	200,000	-	-	1,000,000
IT Total		\$ 100,000	\$ 900,500	\$ 1,500,000	\$ 700,000	\$ -	\$ -	\$ 3,200,500
Maint of Way								
Maint of Way Total								
NIM								
	Tacoma Tideflats A&D Track Extension (Design)	200,000	4,000,000	5,000,000	-	-	-	9,200,000
	NIM Gate Replacement Asset 10522	33,407	120,000	-	-	-	-	153,407
	NIM Stormwater Pipe Rehabilitation Project	103,658	-	-	-	-	-	103,658
	NIM Track Switch Replacement	-	600,500	2,524,500	-	-	-	3,125,000
NIM Total		\$ 137,065	\$ 720,500	\$ 2,524,500	\$ -	\$ -	\$ -	\$ 3,382,065
Parcel 30								
Parcel 30 Total								
	Cascade Timber Environmental Cap Repair (parcel 30) (parent MID)	-	-	200,000	50,000	50,000	50,000	350,000
Parcel 69								
Parcel 69 Total								
	Parcel 69 Stormwater Vault Upgrades	119,000	-	-	-	-	-	119,000
PCT								
	PCT Admin IT Rm A/C Replacement	90,000	-	-	-	-	-	90,000
	PCT Alexander Ave Emergency Access Gate Replacement	100,000	-	-	-	-	-	100,000
	PCT Alexander Ave Emergency Access North Gate Replacement	110,000	-	-	-	-	-	110,000
	PCT Berthing Incident Inspections and Repairs	36,177	-	-	-	-	-	36,177
	PCT Bollard Upgrades	360,275	1,000,000	1,000,000	3,000,000	-	-	5,360,275
	PCT Crane Rail Crack Repair (HMT Eligible)	106,824	-	-	-	-	-	106,824
	PCT Maintenance Dredging (HMT eligible)	335,363	-	-	-	-	-	335,363
	PCT Operating Pavement Repair (2023-27)	1,654,133	1,500,000	-	-	-	-	3,154,133
	PCT Operating Pavement Repair (2028-2032)	-	-	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
	PCT Reefer Racks & Plugs	312,466	2,500,000	7,000,000	4,650,000	-	-	14,462,466
	PCT Shorepower(Design)	100,245	1,100,000	1,600,000	400,000	-	-	3,200,245
	PCT Strad Bay Roof Replacement	22,492	-	-	-	-	-	22,492
	PCT Transfer Zone Pavement Reconstruction	288,001	1,400,000	3,932,000	-	-	-	5,620,001
	PCT Transfer Zone Rebuild	245	-	-	-	-	-	245
	PCT Wapato Creek Culvert Replacement	613,383	1,878,318	1,199,804	18,728,500	18,278,500	-	40,698,505
PCT Total		\$ 4,129,603	\$ 9,378,318	\$ 16,231,804	\$ 28,278,500	\$ 19,778,500	\$ 1,500,000	\$ 79,296,725

DRAFT 2026 - 2031 NWSA CIP PROJECTS by Location

Location/ Dept	Project Name	2026 Forecast	2027	2028	2029	2030	2031	Total 2026-31 Budget
Pier 16/17	P17 Lobby Window Replacement	5,519	-	-	-	-	-	5,519
	Pier 17 HVAC Controls	205,154	16,565	-	-	-	-	221,719
	Pier 17 Standpipe Replacement(HMT Eligible)	50,000	950,000	1,400,000	-	-	-	2,400,000
Pier 16/17 Total		\$ 260,673	\$ 966,565	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 2,627,238
Pony Lumber	Pony Environmental Cap Repair (parcel 86) (2027)	-	50,000	-	-	-	-	50,000
	Pony Environmental Cap Repair (parcel 86) (parent PID)	-	-	50,000	50,000	50,000	50,000	200,000
Pony Lumber Total		\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
PWI	11th Street Boat Launch Repair	163	-	-	-	-	-	163
PWI Total		\$ 163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163
SIM	SIM Rail Yard Crew Trailer Demolition and Purchase of replacement trailer	-	286,000	-	-	-	-	286,000
	SIM Support Yard Trailer Demolition, relocate utilities, & purchase of a new trailer	-	408,000	-	-	-	-	408,000
SIM Total		\$ -	\$ 694,000	\$ -	\$ -	\$ -	\$ -	\$ 694,000
SIM UP	SIM UP Yard Asphalt Upgrade	75,000	710,000	-	-	-	-	785,000
SIM UP Total		\$ 75,000	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ 785,000
Stormwater	2025 ISGP Permit Appeal	150,000	-	-	-	-	-	150,000
	ISGP Seattle Harbor	182,577	285,000	285,000	285,000	285,000	285,000	1,607,577
	ISGP Tacoma Harbor	63,169	75,000	100,000	100,000	100,000	100,000	538,169
Stormwater Total		\$ 395,746	\$ 360,000	\$ 385,000	\$ 385,000	\$ 385,000	\$ 385,000	\$ 2,295,746
T106	T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	6,274	-	-	-	-	-	6,274
T106 Total		\$ 6,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,274
T115	Building Energy Regulatory Compliance - consulting support for The NWSA	-	-	50,000	50,000	50,000	-	150,000
	T115 Arc Flash Study	10,000	150,000	90,000	-	-	-	250,000
	T115 Erosion Inspection	39,507	-	-	-	-	-	39,507
	T115 Switchgear & Feeders Replacement (Design)	68,048	325,000	2,675,000	-	-	-	3,068,048
	T115 Water System & Hydrant Replacement (Design Only)	-	51,000	-	-	-	-	51,000
	T115 Erosion Stabilization (HMT eligible)	-	240,000	2,050,000	4,250,000	-	-	6,540,000
T115 Total		\$ 117,555	\$ 766,000	\$ 4,865,000	\$ 4,300,000	\$ 50,000	\$ -	\$ 10,098,555
T115 Barge/Tug	T115 Barge & Tug Marine Maintenance Expense Tracking	8,784	-	-	-	-	-	8,784
	T115 Routine Condition Assessments	60,000	10,000	-	-	-	-	70,000
T115 Barge/Tug Total		\$ 68,784	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 78,784
T115 General	T115 Clean Truck Program RHD (Domestic Terminals)	236,256	-	-	-	-	-	236,256
	T115 General Marine Maintenance Expense Tracking	5,563	-	-	-	-	-	5,563
T115 General Total		\$ 241,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,819
T18	T18 Alternative Analysis	190,000	-	-	-	-	-	190,000
	T18 Deepening (Design)	-	-	932,000	-	-	-	932,000
	T18 Deepening Analysis	26,226	-	-	-	-	-	26,226
	T18 Lift Station Replacement	182,648	4,850,000	600,000	-	-	-	5,632,648
	T18 Maintenance Dredging (HMT eligible)	1,960,000	-	-	-	-	-	1,960,000
	T18 Marine Maintenance Expense Tracking	8,262	-	-	-	-	-	8,262
	T18 N1 & N2 Protective Relay Replacement	5,878	378,461	-	-	-	-	384,339
	T18 North Fender Replace (HMT eligible)	360,291	-	-	-	-	-	360,291
	T18 Northeast Fender Repairs (HMT Eligible)	4,150,000	50,000	-	-	-	-	4,200,000
	T18 Pavement Assessment	347,149	248,338	-	-	-	-	595,487
	T18 Pavement Repairs - (Annual Allowance)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	5,000,000
	T18 Perimeter Fence Signs	3,451	-	-	-	-	-	3,451
	T18 Pile Cap Repairs Construction Only (HMT eligible)	3,952,098	15,335,176	-	-	-	-	19,287,274
	T18 Pile Cap Repairs Design Only (HMT eligible)	2,118,211	-	-	-	-	-	2,118,211
	T18 Routine Asset Condition Assessment 2026	175,000	54,000	-	-	-	-	229,000

DRAFT 2026 - 2031 NWSA CIP PROJECTS by Location

Location/ Dept	Project Name	2026 Forecast	2027	2028	2029	2030	2031	Total 2026-31 Budget
T18	T18 Shore Power Extension	300,000	4,800,000	4,800,000	9,600,000	1,100,000	-	20,600,000
	T18 Southeast Stormwater Pipe Replacement	-	175,000	905,000	-	-	-	1,080,000
	T18 Transtainer Runs (no stage 1 or stage 2) (SSA will do work)	5,267,970	-	-	-	-	-	5,267,970
	T18 Water Main & Valve Replacement North & South - Construction	-	5,000,000	15,000,000	15,000,000	-	-	35,000,000
	T18 Water Main & Valve Replacement North & South - Design	763,521	2,712,000	-	-	-	-	3,475,521
	T18 Fender & Piling Repair and Replacement - SSA leasehold(HMT eligible)	-	800,000	200,000	-	-	-	1,000,000
	T18 Shore Power (Construction)	15,640,416	21,900,000	1,985,055	-	-	-	39,525,471
	T18 NE Fender Replacement - Kinder Morgan Leasehold(Design)(HMT Eligible)	-	220,000	1,700,000	-	-	-	1,920,000
T18 Total		\$ 36,451,121	\$ 57,522,975	\$ 27,122,055	\$ 25,600,000	\$ 2,100,000	\$ -	\$ 148,796,151
T25	T25 Dock Rehabilitation (HMT eligible) -Construction	-	-	-	-	16,500,000	16,500,000	33,000,000
	T25 Dock Rehabilitation (HMT eligible) -Design	-	-	1,000,000	4,054,000	-	-	5,054,000
	T25 Marine Maintenance Expense Tracking	1,258	-	-	-	-	-	1,258
	T25 Routine Condition Assessments	31,451	-	-	-	-	-	31,451
	T25 South Site Feasibility Assessment	-	100,000	-	-	-	-	100,000
	T25 South Substation Test and Clean and Feeder Testing	-	100,000	-	-	-	-	100,000
	T25 Piping/Ship Water Box Replacements(HMT Eligible)	110,123	300,000	2,940,000	-	-	-	3,350,123
	T25 Total	\$ 142,832	\$ 500,000	\$ 3,940,000	\$ 4,054,000	\$ 16,500,000	\$ 16,500,000	\$ 41,636,832
T30	T30 Bulkhead Repairs Assessment(HMT Eligible)	-	550,000	-	-	-	-	550,000
	T30 CCTV Upgrades	180,000	-	-	-	-	-	180,000
	T30 Central Substation Replacement	252,591	-	-	-	-	-	252,591
	T30 Dock Rehabilitation (HMT eligible)	-	200,000	6,200,000	6,000,000	6,100,000	-	18,500,000
	T30 Main Substation (North) - Electrical Maintenance Assessment	200,000	60,000	-	-	-	-	260,000
	T30 Maintenance Dredging (HMT eligible)	307,438	1,775,500	-	-	-	-	2,082,938
	T30 Marine Maintenance Expense Tracking	17,474	-	-	-	-	-	17,474
	T30 North Fire Main Premise Isolation	100,836	-	-	-	-	-	100,836
	T30 Perimeter Fence Signs	296	-	-	-	-	-	296
	T30 Stormwater Alternative Analysis	48,502	-	-	-	-	-	48,502
	T30 Stormwater Upgrade	50,000	775,000	3,100,000	13,000,000	200,000	-	17,125,000
	T30 Water Main Replacement Assessment	-	-	200,000	-	-	-	200,000
	T30 Water Valve Replacements	-	150,000	-	-	-	-	150,000
	T30 Ship Dock Water Boxes and Underdock Supply Piping(HMT Eligible)	146,065	500,000	7,030,000	-	-	-	7,676,065
	T30 Total	\$ 1,303,202	\$ 4,010,500	\$ 16,530,000	\$ 19,000,000	\$ 6,300,000	\$ -	\$ 47,143,702
T46	T30/T25 North Substation Test and Clean and Feeder Testing	-	240,000	-	-	-	-	240,000
	T46 26kv South Substation Control Power Repair and Protective Relays Testing	-	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ 240,000
	T46 Admin Bldg. Roof Top Unit Rebuild	285,000	250,000	-	-	-	-	250,000
	T46 Bulk Cargo Storage	2,900	-	-	-	-	-	2,900
	T46 High Mast Lighting Upgrade	50,000	505,000	-	-	-	-	555,000
	T46 Light Pole Bolts Evaluation	86,888	-	-	-	-	-	86,888
	T46 Marine Maintenance Expense Tracking	24,437	-	-	-	-	-	24,437
	T46 N & NW Bulkhead Replacement (HMT eligible) Construction	-	-	-	18,000,000	17,000,000	3,400,000	38,400,000
	T46 N & NW Bulkhead Replacement (HMT eligible) Design	-	-	1,600,000	1,500,000	-	-	3,100,000
	T46 N. Substation #1 Replacement (NWSA 80%, POS 20%)	22,021	-	-	-	-	-	22,021
	T46 Office Improvements	250,000	-	-	-	-	-	250,000
	T46 Project Analysis	50,000	50,000	-	-	-	-	100,000
	T46 Sinkhole and Asphalt Repairs	367	-	-	-	-	-	367
	T46 SPU Combined Pipe Repair	971,937	10,000	-	-	-	-	981,937
	T46 Substations and Switchgear Testing, Cleaning and Repairs	29,098	-	-	-	-	-	29,098
	T46 Water System Replacement Study	-	-	125,000	-	-	-	125,000

DRAFT 2026 - 2031 NWSA CIP PROJECTS by Location

Location/ Dept	Project Name	2026 Forecast	2027	2028	2029	2030	2031	Total 2026-31 Budget
T46	T46 NWSA Admin Bldg FACP Replacement	95,000	100,000	-	-	-	-	195,000
T46 Total		\$ 1,967,648	\$ 915,000	\$ 1,725,000	\$ 19,500,000	\$ 17,000,000	\$ 3,400,000	\$ 44,407,648
T5	MARAD PIDP FY22 T5 Grant Admin	(3,196)	-	-	-	-	-	(3,196)
	MARAD PIDP T5 Grant Admin	(3,311)	-	-	-	-	-	(3,311)
	T5 Admin Bldg Arc Flash Study	18,968	-	-	-	-	-	18,968
	T5 Administration Building HVAC Controls Replacement	105,191	48,421	-	-	-	-	153,612
	T5 Annual Paving (allowance)	-	200,000	200,000	200,000	200,000	-	800,000
	T5 Approach Overpass Bridge - W Maringinal Way SW	601	-	-	-	-	-	601
	T5 Back Reach Elec Equip Remov	692,866	-	-	-	-	-	692,866
	T5 Berth Construction - Phase 2 (1,450' south) (DM: Not expected to apply HMT unless we hear otherwise from Army corp of engineers)	212,928	150,000	-	-	-	-	362,928
	T5 City Power Supply (public exp)	1,500,000	-	-	-	-	-	1,500,000
	T5 Container Yard Expansion	12,018,443	259,322	-	-	-	-	12,277,765
	T5 Feeder Fail Emergency Repair	250,000	-	-	-	-	-	250,000
	T5 Gate Complex (SSA will do work)	1,550,268	-	-	-	-	-	1,550,268
	T5 Gatehouse Roof Replacement and Interior Repairs	197,361	875,000	111,727	-	-	-	1,184,088
	T5 Hydrant Replacement(31)	50,000	600,000	140,000	-	-	-	790,000
	T5 Lift Station Safety Improvements	97,894	35,000	-	-	-	-	132,894
	T5 Main Low Voltage Substation Maint & Relay Replacement	70,056	-	-	-	-	-	70,056
	T5 Main Substation Repairs 2026	180,000	-	-	-	-	-	180,000
	T5 Marine Maintenance Expense Tracking	36,431	-	-	-	-	-	36,431
	T5 NAF-2 Electrical Equipment Replacement	-	150,000	-	-	-	-	150,000
	T5 North Crane rail Subsidence repair	46,360	-	-	-	-	-	46,360
	T5 Operational Readiness	(35,028)	-	-	-	-	-	(35,028)
	T5 Phase 2 Premises Management Reserve - capital	-	1,200,000	4,400,000	-	-	-	5,600,000
	T5 Phase II Uplands Paving (SSA will do work) (WAS 2023-35NH)	15,352,207	-	-	-	-	-	15,352,207
	T5 Rail Quiet Zone (public exp)	343	-	-	-	-	-	343
	T5 Reefer Demarcation Infrastructure (SSA will do work)	1,584,261	-	-	-	-	-	1,584,261
	T5 Reefer High Voltage Distribution (SSA will do work)	5,687,983	-	-	-	-	-	5,687,983
	T5 Roof Replacements	67,431	-	-	-	-	-	67,431
	T5 Routine Condition Assessments	-	-	-	125,000	-	-	125,000
	T5 Subsidence Repair LP 3-12	11,449	-	-	-	-	-	11,449
	T5 Main Substation & Electrical Infrastructure Investigation	-	210,000	40,000	-	-	-	250,000
T5 Total		\$ 39,689,506	\$ 3,727,743	\$ 4,891,727	\$ 325,000	\$ 200,000	\$ -	\$ 48,833,976
T5 IM	T5 IV Compressor Replacement	323,694	-	-	-	-	-	323,694
	T5 IV Improvement RESERVE - capital	-	-	600,000	-	-	-	600,000
	T5 IV Improvement RESERVE - expense	-	-	240,000	-	-	-	240,000
T5 IM Total		\$ 323,694	\$ -	\$ 840,000	\$ -	\$ -	\$ -	\$ 1,163,694
T7	T7 Infrastructure Repairs and Improvements - Design (HMT eligible)	1,164,432	1,400,000	16,000,000	29,726,000	3,046,202	-	51,336,634
	T7 Berth C Clear Replacement (HMT eligible)	(105,891)	-	-	-	-	-	(105,891)
	T7 Security Enhancements	314,000	-	-	-	-	-	314,000
	T7D Backlands Paving Repairs	30,000	-	-	-	-	-	30,000
	Terminal 7ABC Maintenance Dredging (Design) (Potential HMT Eligible)	-	-	400,000	-	-	-	400,000
	Terminal 7D Maintenance Dredging (Design)	-	-	100,000	250,000	-	-	350,000
T7 Total		\$ 1,402,542	\$ 1,400,000	\$ 16,500,000	\$ 29,976,000	\$ 3,046,202	\$ -	\$ 52,324,744
TOTE	TOTE Fender Repair (HMT eligible)	102,000	448,000	-	-	-	-	550,000
	TOTE Removal of Timber Pier	-	-	2,820,000	-	-	-	2,820,000
	TOTE Terminal Pavement Maintenance & Repair	162,222	374,778	-	-	-	-	537,000

DRAFT 2026 - 2031 NWSA CIP PROJECTS by Location

Location/ Dept	Project Name	2026 Forecast	2027	2028	2029	2030	2031	Total 2026-31 Budget
TOTE	Tote Forward Ramp Pier Repair (Inspection)(damaged caused by tenant. The tenant will reimburse NWSA for this repair)	300,000	-	-	-	-	-	300,000
TOTE Total		\$ 564,222	\$ 822,778	\$ 2,820,000	\$ -	\$ -	\$ -	\$ 4,207,000
various	Environmental Compliance Support	9,948	20,000	20,000	20,000	20,000	-	89,948
	NWSA LED Conversion	888,797	-	-	-	-	-	888,797
	Wooden Light Pole Replacement Program	480,623	6,447,333	2,686,389	200,000	-	-	9,814,345
various Total		\$ 1,379,368	\$ 6,467,333	\$ 2,706,389	\$ 220,000	\$ 20,000	\$ -	\$ 10,793,090
W. Hylebos	West Hylebos Log Dock Repairs(HMT eligible)	-	925,000	575,000	-	-	-	1,500,000
W. Hylebos Total		\$ -	\$ 925,000	\$ 575,000	\$ -	\$ -	\$ -	\$ 1,500,000
W. Sitcum	Triverus Surface Cleaner	-	1,000,000	-	-	-	-	1,000,000
	West Sitcum 11th St Improvements	550,000	-	-	-	-	-	550,000
	West Sitcum Bldg. 950 Sewer Line Replacement	1,617	-	-	-	-	-	1,617
	West Sitcum Main Substations Replacement	1,012,512	2,690,488	-	-	-	-	3,703,000
	West Sitcum Terminal Capstan Gangway Replacement (HMT Eligible)	427,000	-	-	-	-	-	427,000
	West Sitcum Terminal Gate 2 Asphalt Repair	34,642	-	-	-	-	-	34,642
	West Sitcum Terminal Maintenance Dredging (Design)	-	-	425,000	-	-	-	425,000
	W. Sitcum Backlands Paving	150,000	350,000	-	-	-	-	500,000
W. Sitcum Total		\$ 2,175,772	\$ 4,040,488	\$ 425,000	\$ -	\$ -	\$ -	\$ 6,641,260
WUT	Cascade Timber Environmental Cap Repair (parcel 30) (2026)	200,000	-	-	-	-	-	200,000
	Cascade Timber Environmental Cap Repair (parcel 30) (2027)	-	200,000	-	-	-	-	200,000
	Murray Pacific Environmental Cap Repair (parcel 25) (parent MID)	-	-	300,000	300,000	300,000	300,000	1,200,000
	Murray Pacific Environmental Cap Repair 2025 (parcel 25)	3,334	-	-	-	-	-	3,334
	Murray Pacific Environmental Cap Repair 2026 (parcel 25)	250,000	-	-	-	-	-	250,000
	Murray Pacific Environmental Cap Repair 2027 (parcel 25)	-	250,000	-	-	-	-	250,000
	WUT Admin Building Outside Staircase	25,000	400,000	-	-	-	-	425,000
	WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	-	26,100,000	7,200,000	-	-	-	33,300,000
	WUT Bollard Upgrades	370,427	1,500,000	250,000	3,025,000	3,125,000	-	8,270,427
	WUT Maintenance Dredging (HMT eligible)	606	-	-	-	-	-	606
	WUT Maintenance Dredging 2026 (HMT Eligible)	610,876	100,000	-	-	-	-	710,876
	WUT North Wharf Crane Power Extension	-	1,000,000	1,000,000	-	-	-	2,000,000
	WUT Outfall and Shoreline Repairs project (HMT Eligible)	30,489	25,000	-	-	-	-	55,489
	WUT Shore Power Design	526,380	2,000,000	315,600	-	-	-	2,841,980
	WUT South Wharf Crane Power Extension	-	545,000	-	-	-	-	545,000
	WUT ZF Masterplanning	199,009	341,250	-	-	-	-	540,259
	WUT Berth Area Dredge/ToeWall (Dredge Not HMT eligible) Const	733,878	2,900,000	800,000	-	-	-	4,433,878
	WUT Shoreline Rehab - Design phase(HMT Eligible)	50,000	270,000	-	-	-	-	320,000
WUT Total		\$ 2,999,998	\$ 35,631,250	\$ 9,865,600	\$ 3,325,000	\$ 3,425,000	\$ 300,000	\$ 55,546,848
Grand Total		\$ 102,104,099	\$ 167,273,492	\$ 155,565,473	\$ 155,743,500	\$ 72,175,702	\$ 22,497,000	\$ 675,359,266

10/5/2026

Date of Meeting: October 15, 2026

2027 Budget Study Session



**THE NORTHWEST
SEAPORT ALLIANCE**
SEATTLE + TACOMA

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

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Agenda

- Budget Schedule
- Capital Investment Plan (CIP)
 - 2026 (CIP) Forecast
 - 2026-2031 CIP summary
- Operating Budget
 - 2026 Forecast
 - 2027 Budget with Details
 - 2027 Budget and 2028-2031 forecast



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Budget Schedule

- October 15 - Today
 - Cargo forecast
 - CIP study session
 - Operating budget study session
- October 30
 - Vote on the 2027 operating budget
 - Vote on the 2027-2031 CIP
 - Vote on the 2027 Service Level Agreements (SLAs)



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2027 CIP Budget Study Session



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SEATTLE + TACOMA

Presenter: David Morrison, CFO
Lien Dam, Sr. Financial Analyst

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Capital Investment Plan Summary

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



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Capital Investment Plan Overview

- The NWSA invests in projects to increase the capacity, extend the life or improve the safety or efficiency of licensed property and equipment.
- The Capital Investment Plan (CIP) identifies projects that are planned or under way.
- New projects go through a two-stage vetting process with NWSA Leadership, the Investment Decision and Development Process (IDDP), before being added to the CIP.



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CIP Comments

- For Projects expected to be over \$10 million, if scope is preliminary and cost estimate are based on less than approximately 30% design, only design dollars will be included
- For Projects that are grant dependent, if the grants have not been awarded, the projects are not included in the CIP
 - The Operating budget does not include any associated revenue
- For shorepower projects, the target is 50% match. Construction costs for projects with 50% match are included in the budget
- Estimate NWSA will spend minimum \$75M million on non-Harbor Maintenance Tax (HMT) funded projects in total per year for capitalized projects
 - 5-year total of \$352M of non-HMT funded projects
- HMT projects are listed and will be reviewed separately as each is funded by Homeport HMT funds



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CIP Total (excluding HMT) vs Net

- CIP includes total cost of the project because that is what the Managing Members authorize
- Grants, which are excluded from the CIP, reduce the cash outlay
- Some projects are reimbursed by the customer over time, effectively reducing the cash outlay



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Major Projects not included in CIP

- Projects pending design completion
 - T18 NE fender replacement - \$12M (HMT eligible)
 - T115 switch gear & feeders replacement construction - \$17M
- Projects pending external funding
 - Tacoma Tideflats A&D Track Extension - \$129M
 - WUT and PCT shore power construction - \$65M
- Projects pending business deals
 - Tacoma terminal expansion - \$150M
 - T46 S dock rehab - \$50M (HMT eligible)



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Major Projects Moving from Design to Construction included in CIP

- Husky toe-wall and berth deepening - \$23M (HMT)
- WUT toe-wall and berth deepening - \$33M (HMT)
- T25 Dock Rehabilitation - \$33M (HMT)
- T46 N & NW Bulkhead Replacement - \$38M (HMT)



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Projects and Funding

- NWSA CIP funding is complicated by the charter, Homeport Bond covenants, Grant rules and HMT rules
 - Expensed projects are funded by NWSA Operating cash
 - Grants and HMT funds can reduce the cash flow required for “expensed” projects
 - Capitalized Non-HMT projects are funded by the Homeport cash
 - Grants to the NWSA reduce the Homeport cash contributions for projects
 - Capitalized HMT projects are funded by the Homeport HMT cash
 - HMT funds must be spent in the harbor where they are generated



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2026 – 2031 Capital & Expense Projects in \$ Million

Description	North Harbor (Seattle)	South Harbor (Tacoma)	Total
Total Capital & Expense Projects	\$356.2	\$319.1	\$675.3
Less HMT eligible projects	(151.5)	(115.9)	(267.4)
Net ALL Projects after HMT funded	\$204.7	\$203.2	\$407.9
Less Amortization	(38.9)	0.0	(38.9)
Net ALL projects after HMT & Amortization	\$165.8	\$203.2	\$369.0

Description	North Harbor (Seattle)	South Harbor (Tacoma)	Total
Capital Projects	\$332.5	\$273.9	\$606.4
Less HMT eligible capital projects	(142.7)	(111.5)	(254.2)
Net CAPITAL Projects after HMT funded	\$189.8	\$162.4	\$352.2
Less Amortization	(38.9)	0.0	(38.9)
Net CAPITAL Projects to be funded by Homeports after HMT & Amortization	\$150.9	\$162.4	\$313.3

Description	North Harbor (Seattle)	South Harbor (Tacoma)	Total
Expense Projects	\$23.8	\$45.3	\$69.1
Less HMT eligible expense projects	(8.8)	(4.4)	(13.2)
Net EXPENSE Projects to be funded by NWSA	\$15.0	\$40.9	\$55.9

Amortized Projects are projects where the NWSA is funding the project, and the tenant is reimbursing the NWSA over time on top of lease payments.



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HMT Funding Forecast

- Assuming consistent receipt of HMT funds at amounts similar to the Fiscal Year 2026 funds received, both Homeports have more HMT funds available than HMT eligible projects every year from 2026 through 2031
- Staff is working to identify additional projects and expand acceptable uses to apply all available HMT funds.

NOTE: "HMT" includes both Section 102 funds (AKA HMT) and Water Resource Development Act (WRDA) Section 2106 funds

- The rules about allowable usage are not in scope for today's discussion



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Seattle Harbor - All HMT projects (\$ thousand)

Project Name	2026 Forecasts	2027	2028	2029	2030	2031	Total 2026-31
T46 N & NW Bulkhead Replacement (HMT eligible) Construction	0	0	0	18,000	17,000	3,400	38,400
T25 Dock Rehabilitation (HMT eligible) -Construction	0	0	0	0	16,500	16,500	33,000
T18 Pile Cap Repairs Construction Only (HMT eligible)	3,952	15,335	0	0	0	0	19,287
T30 Dock Rehabilitation (HMT eligible)	0	200	6,200	6,000	6,100	0	18,500
T30 Ship Dock Water Boxes and Underdock Supply Piping(HMT Eligible)	146	500	7,030	0	0	0	7,676
T115 Erosion Stabilization (HMT eligible)	0	240	2,050	4,250	0	0	6,540
T25 Dock Rehabilitation (HMT eligible) -Design	0	0	1,000	4,054	0	0	5,054
T18 Northeast Fender Repairs (HMT Eligible)	4,150	50	0	0	0	0	4,200
T25 Piping/Ship Water Box Replacements(HMT Eligible)	110	300	2,940	0	0	0	3,350
T46 N & NW Bulkhead Replacement (HMT eligible) Design	0	0	1,600	1,500	0	0	3,100
Pier 17 Standpipe Replacement(HMT Eligible)	50	950	1,400	0	0	0	2,400
T18 Pile Cap Repairs Design Only (HMT eligible)	2,118	0	0	0	0	0	2,118
T30 Maintenance Dredging (HMT eligible)	307	1,776	0	0	0	0	2,083
T18 Maintenance Dredging (HMT eligible)	1,960	0	0	0	0	0	1,960
T18 NE Fender Replacement - Kinder Morgan Leasehold(Design)(HMT Eligible)	0	220	1,700	0	0	0	1,920
T18 Fender & Piling Repair and Replacement - SSA leasehold(HMT eligible)	0	800	200	0	0	0	1,000
T30 Bulkhead Repairs Assessment(HMT Eligible)	0	550	0	0	0	0	550
T18 North Fender Replace (HMT eligible)	360	0	0	0	0	0	360
Total	\$ 13,154	\$20,921	\$24,120	\$33,804	\$39,600	\$19,900	\$ 151,499



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Tacoma Harbor - All HMT projects (\$ thousand)

Project Name	2026 Forecasts	2027	2028	2029	2030	2031	Total 2026-31
T7 Infrastructure Repairs and Improvements - Design (HMT eligible)	1,164	1,400	16,000	29,726	3,046	0	51,337
WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	0	26,100	7,200	0	0	0	33,300
Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible) Const	532	2,340	13,260	5,070	0	0	21,202
Blair Terminal Fender Upgrades(HMT eligible)	87	3,400	513	0	0	0	4,000
West Hylebos Log Dock Repairs(HMT eligible)	0	925	575	0	0	0	1,500
WUT Maintenance Dredging 2026 (HMT Eligible)	611	100	0	0	0	0	711
TOTE Fender Repair (HMT eligible)	102	448	0	0	0	0	550
Blair Dock Cleat Replacement (HMT eligible)	0	300	200	0	0	0	500
West Sitcum Terminal Capstan Gangway Replacement (HMT Eligible)	427	0	0	0	0	0	427
West Sitcum Terminal Maintenance Dredging (Design)	0	0	425	0	0	0	425
Terminal 7ABC Maintenance Dredging (Design) (Potential HMT Eligible)	0	0	400	0	0	0	400
Pier 3 and Pier 4 Maintenance Dredging 2026 (HMT Eligible)	256	100	0	0	0	0	356
Terminal 7D Maintenance Dredging (Design)	0	0	100	250	0	0	350
PCT Maintenance Dredging (HMT eligible)	335	0	0	0	0	0	335
WUT Shoreline Rehab - Design phase(HMT Eligible)	50	270	0	0	0	0	320
Blair Terminal Fender Repairs 2026(HMT eligible)	150	0	0	0	0	0	150
WUT Outfall and Shoreline Repairs project (HMT Eligible)	30	25	0	0	0	0	55
Total	\$ 3,746	\$35,408	\$38,673	\$35,046	\$ 3,046	\$ -	\$ 115,919

Note: The full scope of projects to be completed at T7 is still under development. Not all projects are going to be HMT eligible.



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2026 – 2031 Summary in \$ Million

Description	North Harbor (Seattle)	South Harbor (Tacoma)	Total
Total Capital & Expense Projects	\$356.2	\$319.1	\$675.4
Less HMT eligible projects	(151.5)	(115.9)	(267.4)
Less Amortization	(38.9)	0.0	(38.9)
Total Projects - NET HMT & Amortization	\$165.8	\$203.2	\$369.0

Historical Capital spending split through 2025 is 59% North Harbor and 41% South Harbor

- Included in South Harbor are Gateway wide Air Quality and Water Quality projects totaling \$19M. Some of these, such as clean cargo handling equipment incentive program will be harbor specific depending on where funds are spent.
- Amortized Projects are projects where the NWSA is funding the project, and the tenant is reimbursing the NWSA over time on top of lease payments. Amounts shown are the gross amounts and may be partially reduced by Grants.



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Top 5 projects per Harbor (\$ million)

North Harbor (Seattle)		South Harbor (Tacoma)	
T18 Shore Power (Partial grant funded)	\$39.5	T7 Infrastructure Repairs and Improvements - (HMT)	\$51.3
T46 N & NW Bulkhead Replacement (HMT)	38.4	PCT Wapato Creek Culvert Replacement	40.7
T18 Water Main & Valve Replacement North & South	35.0	WUT Berth Area Dredge/ToeWall (only ToeWall HMT eligible)	33.3
T25 Dock Rehabilitation (HMT)	33.0	Husky Berth Area Dredge/ToeWall (only ToeWall HMT eligible)	21.2
T18 Shore Power Extension (Partial grant funded)	20.6	Husky Terminal Expansion (Partial grant funded)	18.1
Total	\$166.5	Total	\$164.6



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2026 - 2031 CIP by Category (\$ thousand)

Category	2026 Fcst	2027	2028	2029	2030	2031	2026-31 Total
Environmental	20,169	38,430	12,690	12,562	3,284	697	87,833
Maintenance	33,143	101,789	92,546	92,627	45,221	5,300	370,625
Operational upgrade	48,685	26,154	49,529	50,355	23,671	16,500	214,894
Support system	106	900	800	200	-	-	2,006
Total	\$ 102,104	\$ 167,273	\$ 155,565	\$ 155,744	\$ 72,176	\$ 22,497	\$ 675,359

- All projects capitalized and expensed, regardless of HMT or grants
- We provided a detailed list by location in the meeting package
- Homeports should plan for NWSA CIP of \$75M/year (\$37.5M per Homeport) in addition to Homeport HMT capital budget

Definitions

- Maintenance = repair of existing asset
- Operational Upgrades = Added capacity or improved functionality
- Environmental = ongoing clean air and clean water projects
- Support Systems = IT system assessment & improvement



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CIP Budget Summary (Excluding HMT projects)

- 2027-2031 Five-year CIP totals \$323 million
- 2026-2031 Six-year CIP totals \$408 million
- 2027 MM requests primarily include construction of PCT Wapato Creek Culvert, PCT reefer racks & plugs, design of Tacoma Tideflats A&D track, T18 water main & valve replacement, design for future maintenance and upgrades and some maintenance and operational upgrades
- Significant maintenance and operational upgrades could be requested in the years between 2027-2030



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2027 Operating Budget Study Session



THE NORTHWEST
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Presenter: Calum Tasker Sr. Financial Analyst
David Morrison, CFO

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NWSA Budget Considerations

- The NWSA staff manages to a “triple bottom line”:
 - Economic development and jobs
 - Environmental impact and sustainability
 - Financial performance
- 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 2027 budget to balance these three areas



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



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Net Cash provided by NWSA 2016-2027 (\$000s)

NWSA Providing Cash	2016-2027 Total
Distributable cash	1,621,427
Affirmation Distribution	32,000
HMT/ WRDA 2106 Received by homeports	191,810
Total	\$ 1,845,237

Over 12-year period, NWSA plus projected HMT/WRDA 2106 funds will provide \$704 million more in cash than received by the home ports (38.2% return of provided cash) (includes the T30 settlement payment).

Cash from Home Ports	2016-2027 Total
Working Capital	51,000
Capital Construction	1,057,923
Affirmation Contribution	32,000
Total	\$ 1,140,923

Section 2106 / HMT funds are estimated at \$54.2M in 2027, and flat for the five-year period.

NWSA Provide/(Accept) Cash	\$ 704,314
----------------------------	------------



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2026 Forecasted Operating Results Preview

(\$ millions)

	2026 Budget	2026 Forecast	Better/(Worse)	Forecast vs budget Revenue
Operating Revenues				
Total Operating Revenues	266.3	270.4	4.1	• Higher than budgeted revenue for autos, BB and military, \$10.2M, offset by lower intermodal, (\$5.6M)
Total Operating Expense	189.4	178.9	10.5	
Income from Operations	\$76.9	\$91.5	14.6	Expenses
<i>Return on Revenue</i>	28.9%	33.8%	5%	• Depreciation, \$3.6M
Non Operating Income (Expense)	39.9	31.6	(8.3)	• Timing on cargo incentive payments, \$3.2M
Distributable Cash	\$151.1	\$153.7	\$2.6	• Timing of environmental programs, \$3.2M
HMT Funds (not in NWSA P&L)	\$6.2	\$60.4	\$54.2	• Non-operating income reduction due to grant timing
Total Distributable + HMT	\$157.3	\$214.1	\$56.8	

May not foot due to rounding.

- 2026: Received \$10M T5 affirmation payment in addition to the calculated distributable cash (not included above)



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2027 Budget Preview

(\$ millions)

	2025 Actual	2026 Forecast	2027 Budget
Operating Revenues			
Total Operating Revenues	349.1	270.4	271.6
Total Operating Expense	156.9	178.9	191.0
Income from Operations	\$192.1	\$91.5	\$80.6
<i>Return on Revenue</i>	55.0%	33.8%	29.7%
Non Operating Income (Expense)	21.8	31.6	34.9
Distributable Income	\$214.0	\$123.0	\$115.5
Distributable Cash	\$219.7	\$153.7	\$153.9
HMT Funds (not in NWSA P&L)	\$6.2	\$60.4	\$54.2
Total Distributable + HMT	\$225.9	\$214.1	\$208.0

May not foot due to rounding.

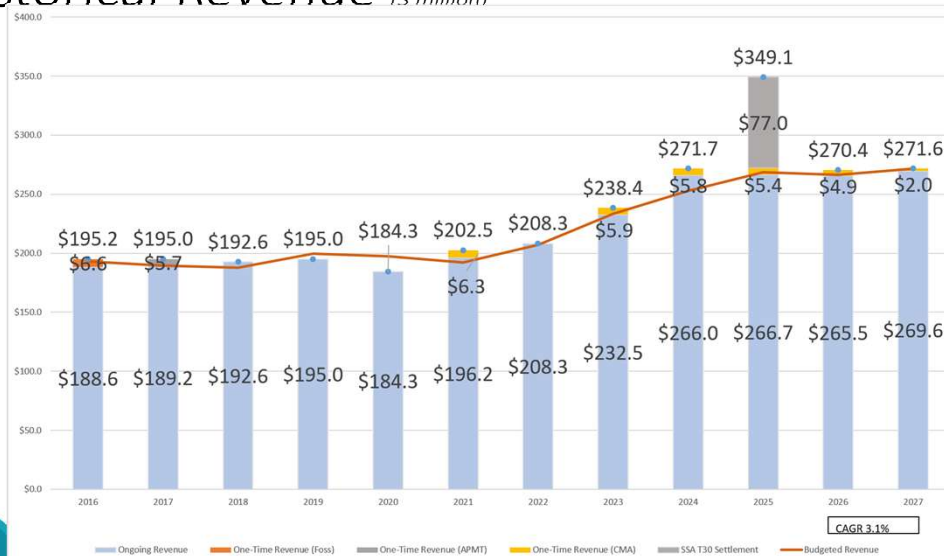


- 2026: Received \$10M T5 affirmation payment in addition to the calculated distributable cash (not included above)
- 2025 includes \$5.4M, 2026 includes \$4.9M, and 2027 includes \$2M of revenue from CMA for MAG shortfall payments

25

25

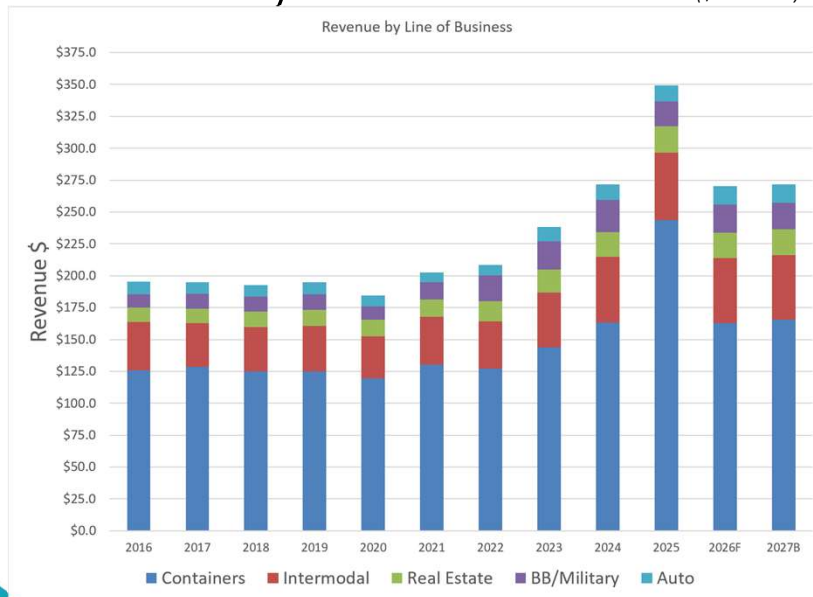
Historical Revenue (\$ million)



26

26

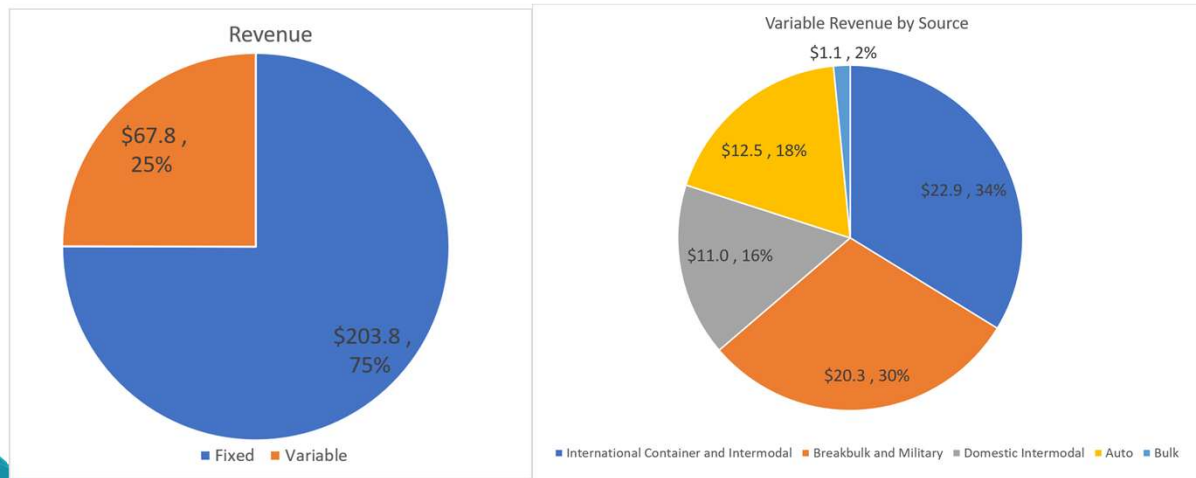
Revenue by Line of Business (\$ million)



27

27

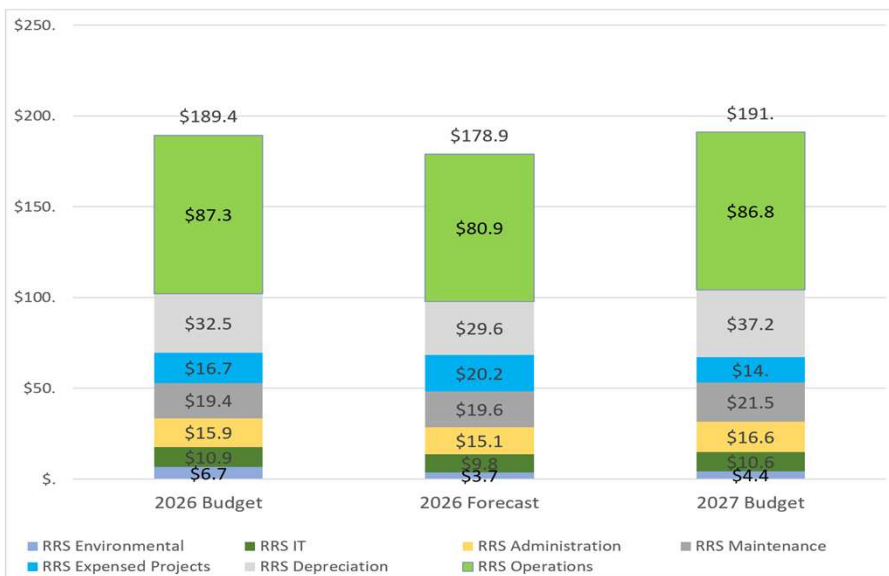
2027 Fixed vs Variable Revenue (\$million)



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Total Operating Expense (\$million)



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RRS Operations Expense (\$ million)



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RRS Operations Expense

*in millions	2026 Budget	2026 Forecast	2027 Budget	2026 Forecast vs 2027 Budget	%
RRS Operations	\$87.3	\$80.9	\$86.8	\$5.8	7.2%

• 2026 Budget vs 2026 Forecast

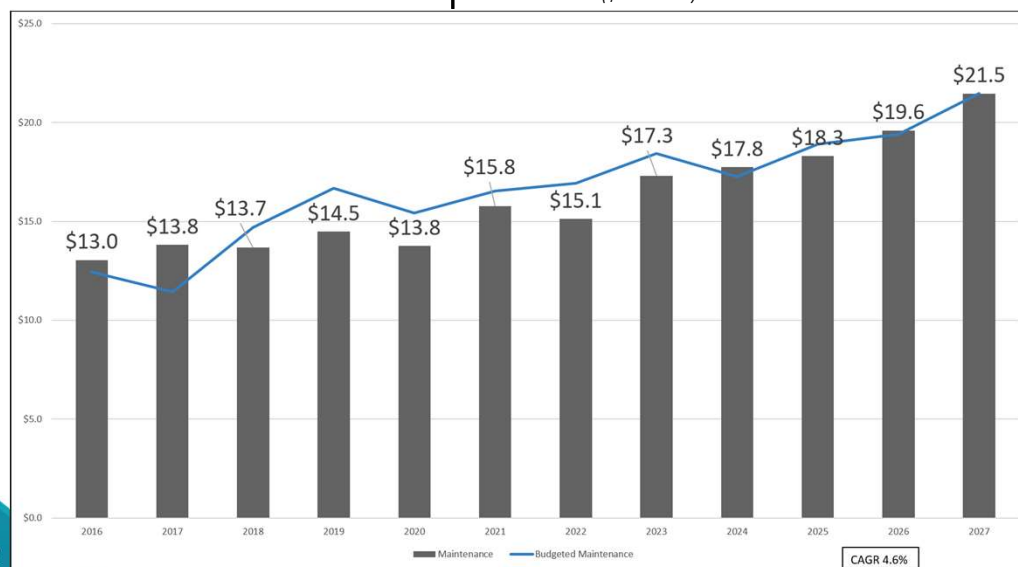
- Timing changed for cargo incentive, (\$3.2M)
- Lower than expected utility expense, (\$1.3M)
- Lower than expected rent, (\$0.8M)
- Lower than expected depreciation, (\$0.7M)

• 2026 Forecast vs 2027 Budget

- Increased cargo incentive, \$4.9M
- Increased allocation from homeports, \$0.8M

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RRS Maintenance Expense (\$ million)



32

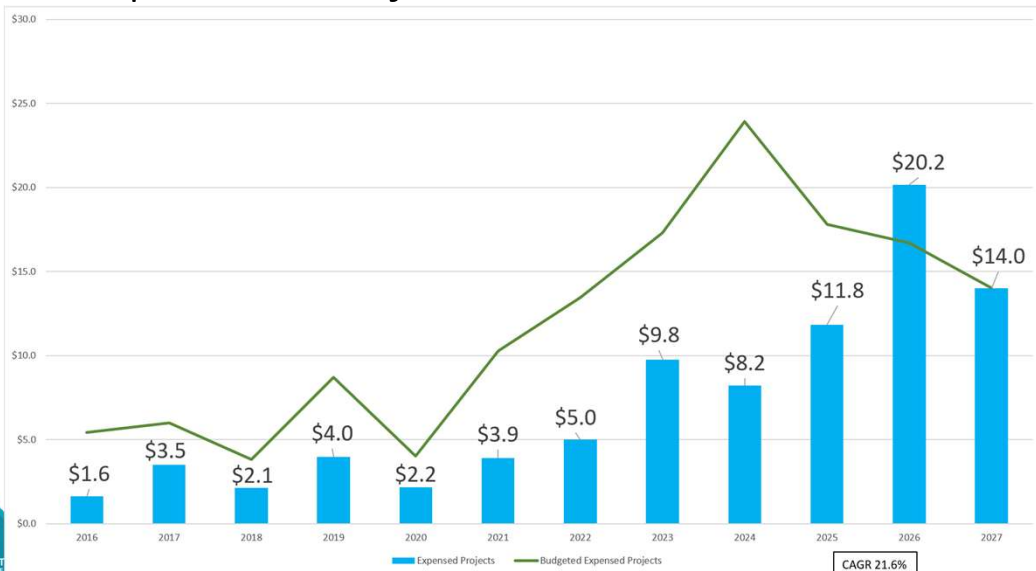
Maintenance

*in millions	2026 Budget	2026 Forecast	2027 Budget	2026 Forecast vs 2027 Budget	%
RRS Maintenance	\$19.4	\$19.6	\$21.5	\$1.9	9.6%

- **2026 Forecast vs 2026 Forecast**
 - Nothing significant
- **2026 Forecast vs 2027 Budget**
 - Increased parts for equipment and facilities

33

RRS Expensed Projects (\$ million)



34

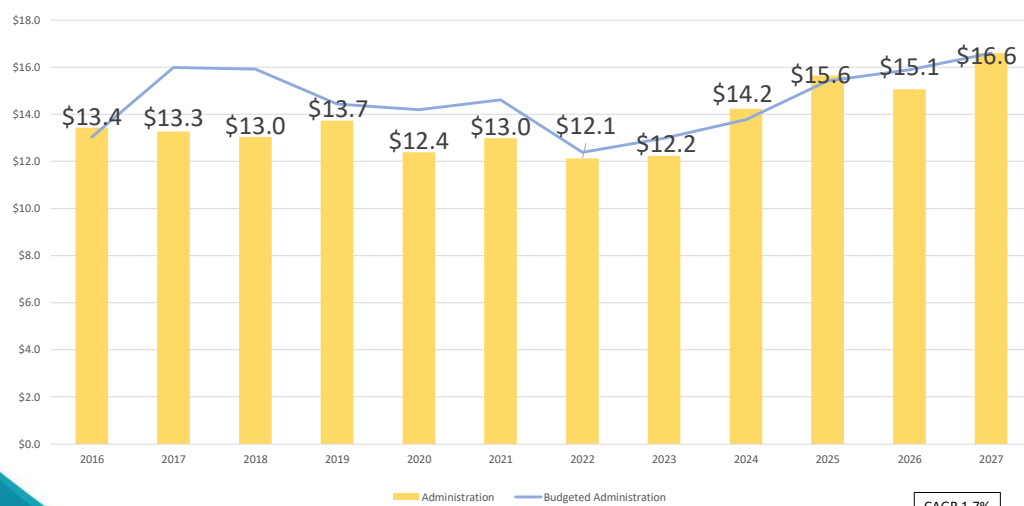
Expensed Projects

*in millions	2026 Budget	2026 Forecast	2027 Budget	2026 Forecast vs 2027 Budget	%
RRS Expensed Projects	\$16.7	\$20.2	\$14.	(\$6.2)	-30.5%

- **2026 Budget vs 2026 Forecast**
 - T18 Northeast Fender Repairs, increase of \$3.9M (HMT eligible)
 - T5 City Power Supply, \$1.5M (moved forward from 2027)
 - T5 Back Reach Electrical Equipment Removal, \$0.6M
 - Crane removals at TCT, (\$2.0M) (completed in 2025)
- **2026 Forecast vs 2027 Budget**
 - Reduced expensed projects budgeted in 2027

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RRS Admin Expenses (\$ million)



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NWSA RRS Administration

*in millions	2026 Budget	2026 Forecast	2027 Budget	2026 Forecast vs 2027 Budget	%
RRS Administration	\$15.9	\$15.1	\$16.6	\$1.5	10.2%

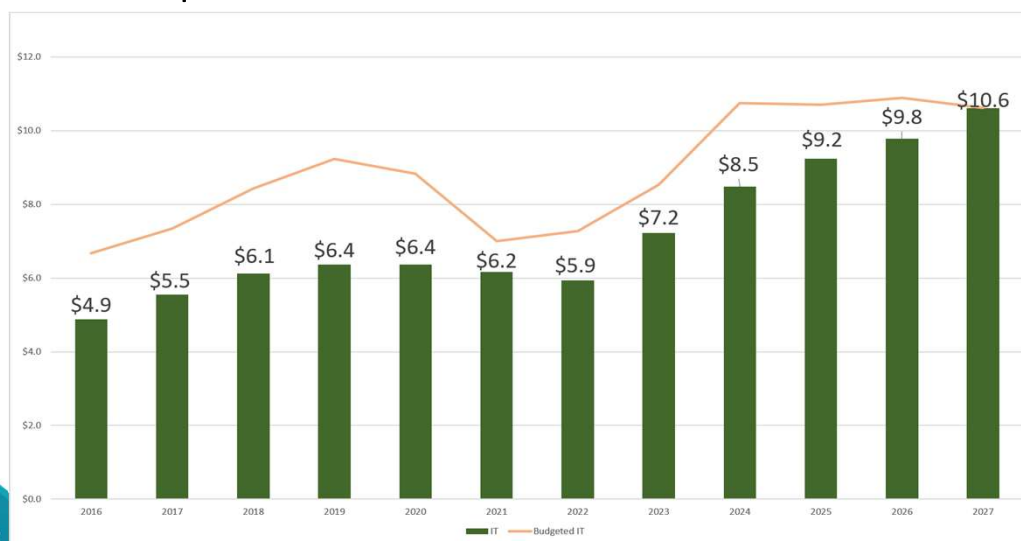
- **2026 Budget vs 2026 Forecast**
 - Underspent outside legal expense, \$0.9M
- **2026 Forecast vs 2027 Budget**
 - Increased consulting expense, \$0.9M
 - Rebranding, \$0.5M
 - Puyallup Tribal Terminal (PTT) 30% design, NWSA share, \$0.2M
 - Biennial bathymetry, \$0.2M
 - Travel, \$0.1M
 - Increased outside legal expense, \$0.6M



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RRS IT Expenses (\$ million)



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RRS IT

*in millions	2026 Budget	2026 Forecast	2027 Budget	2026 Forecast vs 2027 Budget	%
RRS IT	\$10.9	\$9.8	\$10.6	\$0.8	8.6%

- **2026 Budget vs 2026 Forecast**
 - Allocation from POT IT under-budget primarily due to work not being completed as per the original schedule, \$1.0M
- **2026 Forecast vs 2027 Budget**
 - Allocation from POT IT increase, \$0.6M
 - Allocation from POS IT increase, \$0.2M

NWSA Payroll

	2025	2026 Budget	2026 Forecast	2027 Budget	Var from Forecast	% Var	Var from Prior Budget	%Var
Salary Wages	9,632,297	10,591,093	10,512,902	10,898,199	385,297	4%	307,105	3%
Hourly Wages	59,470	48,044			0		(48,044)	-100%
OT Wages	1,275				0		0	N/A
Total Wages	9,693,042	10,639,137	10,512,902	10,898,199	385,297	4%	259,062	2%
F.I.C.A.	684,831	730,028	804,376	758,026	(46,350)	-6%	27,998	4%
S.U.I.	82,424	39,721	37,014	42,745	5,731	15%	3,023	8%
Medical Benefits	2,171,652	2,459,982	2,482,144	2,550,284	68,140	3%	90,302	4%
Employee Pension	705,426	576,023	586,782	563,295	(23,486)	-4%	(12,727)	-2%
Other Benefits	(1,130,529)	365,258	391,913	368,608	(23,305)	-6%	3,350	1%
Total Benefits	2,513,803	4,171,012	4,302,228	4,282,959	(19,270)	-0%	111,947	3%
<i>Benefits % of Total</i>	<i>25.9%</i>	<i>39.2%</i>	<i>40.9%</i>	<i>39.3%</i>				
Port Salaries & Benefits	12,206,845	14,810,149	14,815,130	15,181,158	366,028	2%	371,008	3%

- \$279,531 for annual pay increases for salaried employees starting April (4% increase)
- \$24,665 for annual recognition paid to salaried employees in April.
- \$49,329 for marketplace adjustments for salaried employees during the year.
- Average Salary of \$159,126. Benefits of 39%
- NWSA assumes a 6% vacancy rate (4 positions)

Memberships

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

Organization	2026 Budget	2026 Forecast	2027 Budget
American Association of Port Authorities	\$83,000	\$90,244	\$95,000
Pacific Northwest Waterways Association	39,413	39,413	40,000
WA Council on International Trade	20,000	20,000	20,000
National Association of Waterfront Employers			20,000
DBM Association		11,667	11,667
Green Marine	12,000	12,107	12,000
All Other Memberships under \$10,000	87,977	52,076	86,938
Total NWSA Memberships	\$242,390	\$225,507	\$285,605



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

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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"

	2025 Actual	2026 Forecast	2027 Budget
Hosting	\$293,913	\$235,052	\$304,238

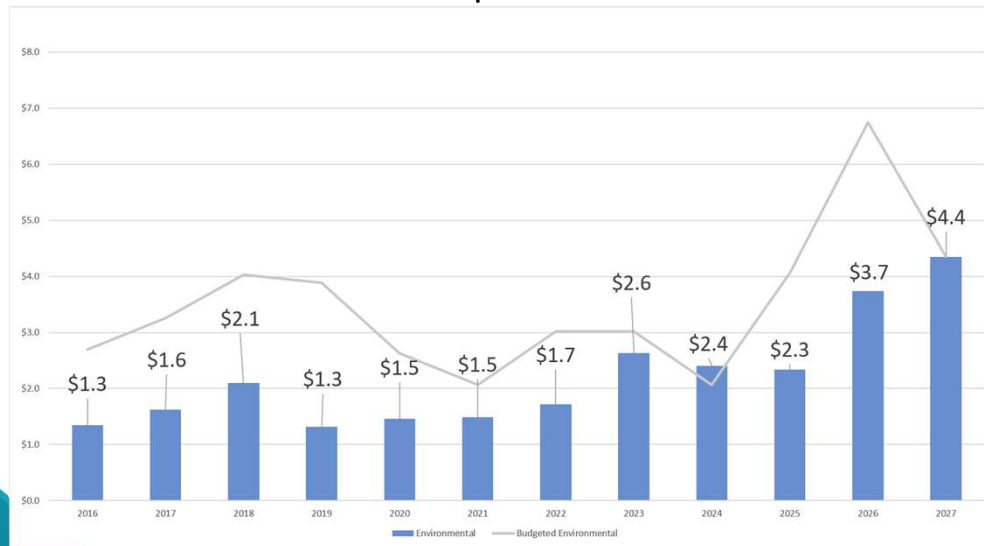
2027 Statutory limit is \$704,070



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RRS Environmental Expenses (\$ million)



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Environmental

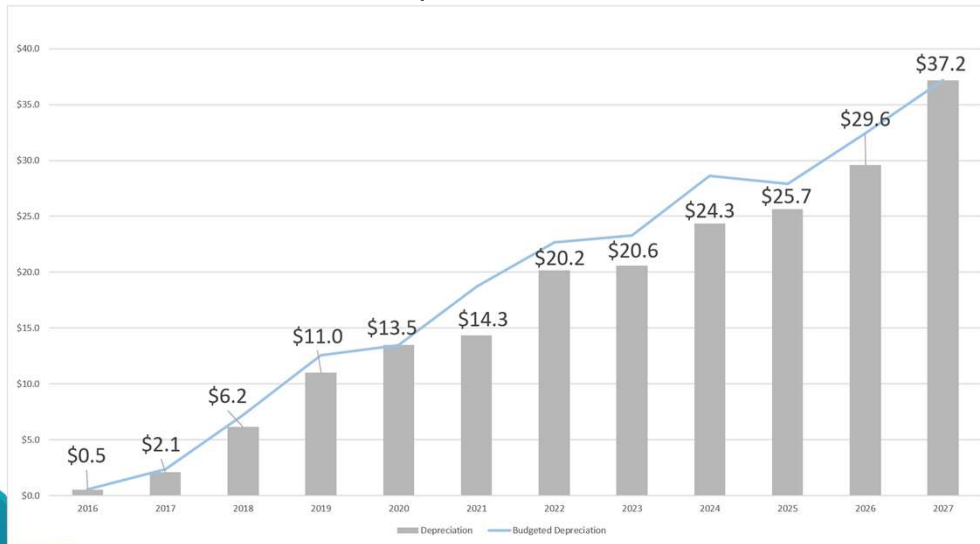
*in millions	2026 Budget	2026 Forecast	2027 Budget	2026 Forecast vs 2027 Budget	%
RRS Environmental	\$6.7	\$3.7	\$4.4	\$0.6	16.2%

- 2026 Budget vs 2026 Forecast
 - ZE CHE Incentive Program money delayed, \$2.3M
 - Other air quality programs change from original schedule, \$0.7M
- 2026 Forecast vs 2027 Budget
 - Other Air Quality programs, \$0.6M

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Historical NWSA Depreciation (\$million)



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Non-Operating (\$million)



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2026 -2031 Budgeted Grants* (\$million)

	2026	2027	2028-2031	Total
T18 Shore power (all)	\$13.1	\$18.4	\$3.6	\$35.1
T5 (all)	\$8.3	\$1.5	\$3.4	\$13.2
Husky Expansion	\$0.5	\$3.0	\$8.0	\$11.5
PCT All	\$0.5	\$3.1	\$7.2	\$10.8
All Other	\$2.4	\$4.4	\$1.5	\$8.3
Total (Rounded)	\$24.8	\$30.4	\$23.7	\$78.9

Staff presented the Plan of Grants at the October Managing Member meeting which identifies the projects and the grant opportunities (funding sources) being pursued for additional funds.



* Excludes grants with subrecipients which are 100% passthrough in revenue

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NWSA 2027 Budget and Four Year Forecast (\$million)

<i>(\$ millions)</i>	2027	2028	2029	2030	2031
Operating Revenue	\$271.6	\$277.7	\$287.8	\$296.0	\$305.0
Total Operating Expenses before Dep.	(152.7)	(157.6)	(153.6)	(156.2)	(157.6)
Depreciation & Amortization	(38.3)	(45.1)	(49.5)	(56.5)	(61.0)
Operating Income	80.6	75.0	84.7	83.3	86.3
Grant Income	30.4	20.8	2.1	0.8	0.0
Other Non Operating Income	4.5	2.9	3.3	3.1	3.4
Distributable Income	115.5	98.7	90.0	87.2	89.7
Distributable Cash (calculated)	\$153.9	\$143.8	\$139.5	\$143.7	\$150.7
HMT Funds (not in NWSA P&L)	54.2	54.2	54.2	54.2	54.2
Total Distributable + HMT	\$208.0	\$198.0	\$193.6	\$197.8	\$204.9



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Budget Summary

- 2026 Net Distributable Income is projected to be \$123.0 million, \$6.2 million above budget level of \$116.8 million. Distributable cash is calculated to be \$153.7 million, \$2.6 million above budget.
- 2027 Net Distributable Income is projected to be \$115.6 million. Distributable cash of \$153.9 million.
- The potential for new agreements, changing cargo volumes, and the timing of Grant income due to project construction progress, could impact our 2027 operating income.



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Budget Adoption Meeting

- Managing Member Actions on October 30:
 - Vote on Operating Budget including Memberships over \$10,000 and Promotional hosting
 - Vote on five-year 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, between the POS and NWSA, and among all three.



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The Northwest Seaport Alliance 2027 Budget



Operating Budget and Capital Investment Plan adopted:
October 30, 2026



In June 2026, *Inbound Logistics* magazine named The Northwest Seaport Alliance in its annual list of “Green 75” supply chain partners. This is the tenth 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.

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To: Managing Members
Date: October 30, 2026
Subject: The Northwest Seaport Alliance Operating Budget and Five-Year Capital Investment Plan

Staff is pleased to present the 2027 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 2026, the global shipping industry continued to operate in an environment shaped by geopolitical uncertainty, evolving trade policies, and shifting cargo flows. Cargo volumes and trade patterns continued to deviate from traditional norms as tariff uncertainty influenced supply chain planning. Conflict in the Middle East also affected global shipping routes and supply chain operations.

The NWSA is committed to best-in-class infrastructure investment and customer service that drives competitive opportunities and economic growth across the region. We are initiating key strategies to grow international container volumes, strengthen our gateway's competitive position, and support the efficient movement of goods to and from the Pacific Northwest and inland U.S. markets.

The NWSA generates significant economic activity while maintaining a strong commitment to environmental stewardship. We continue to invest in more sustainable gateway operations through the development of shore power infrastructure, the expansion of zero-emission drayage truck utilization, and advanced stormwater treatment systems and sweeping programs that help protect the health of the Puget Sound.

Together, NWSA and our customers generate more than 18,000 direct jobs and nearly \$14 billion in total business output throughout Washington state based on the most recent study released in 2025 from 2023 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, diversification and best in class performance
- Advance environmental stewardship

The NWSA is well positioned for future growth. Our infrastructure investments and commitment to environmental leadership will continue to 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 capital spending on profitability.

VI. Environmental Stewardship and Planning: This section provides a historical context for the environmental challenges and opportunities 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 international container shipping alliances and all major international container carriers. In all, thirteen international and four domestic container carriers make regular port calls at NWSA facilities.
- Dual service from the two West Coast transcontinental railroads (Union Pacific Railroad, BNSF Railway) 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 in the top 100 among the world's top container gateways and was a leading gateway for containerized cargo in North America in 2025.

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 vessel trade totaled \$67.7 billion in 2025. Imports were \$54.3 billion, and exports were \$13.4 billion. Through June 2026, the two ports handled roughly \$34.9 billion of international vessel trade. Based on vessel dollar value, China (including Hong Kong) was the NWSA's largest trading partner in 2025. Other major international trading partners include:

- Japan
- South Korea
- Vietnam
- Taiwan
- Thailand
- Indonesia
- Australia
- Cambodia
- Malaysia

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 2025, 3 million metric tons of domestic cargo were 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 services 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, respectively. 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 2025, 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 based on 2023 data, in 2023 marine cargo activities directly supported 18,000 jobs in Washington state and contributed \$14 billion in total business output. 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 assets to the NWSA related to maritime commerce. The licensed assets include facilities for handling containerized cargo, automobiles, 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 to 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.

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
- JT Wilcox

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
- Director, Marketing & Business Services
- Director, Planning and Permitting

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 contribute 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 outreach activities of 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 harbors 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 (also known as NIM) and breakbulk terminals. 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 NWSA's commitment to clean air/climate solutions and sustainable practices – including the Northwest Ports Clean Air Strategy and the NWSA's corresponding 5-year Clean Air Implementation plan, which focus on reducing both diesel pollution 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.

The Northwest Seaport Alliance Budget



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

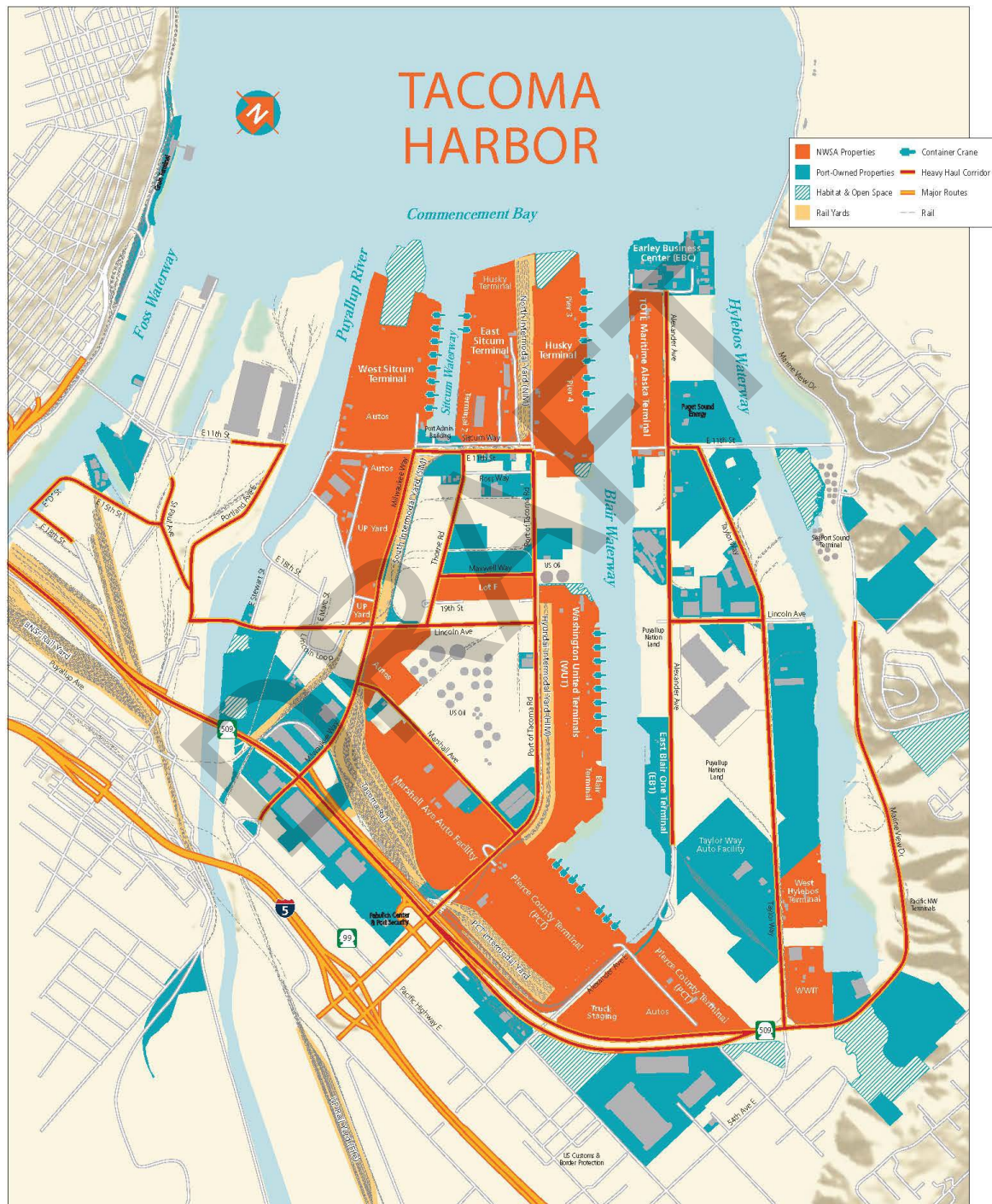
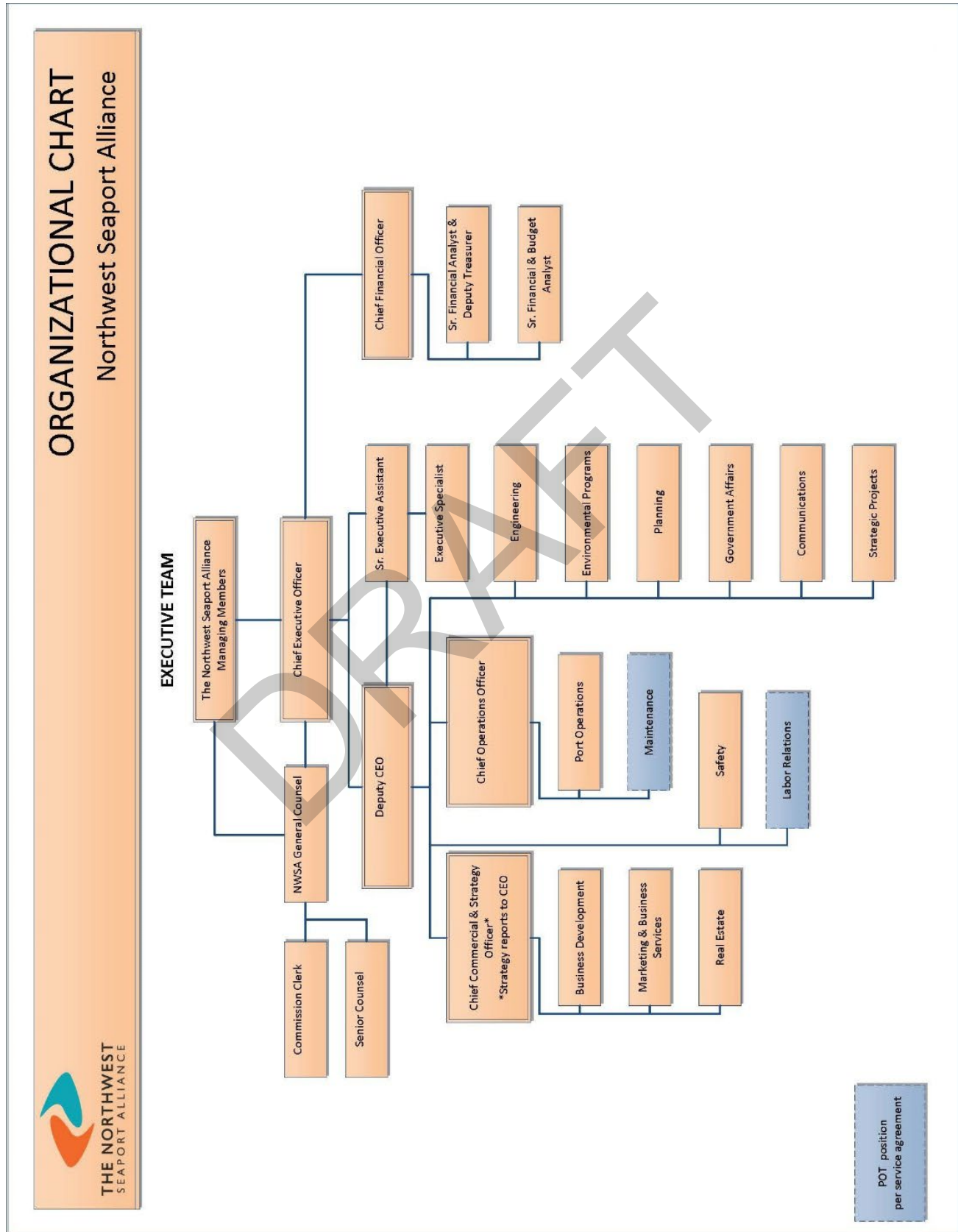


Figure I-3.... The Northwest Seaport Alliance Organizational Chart



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.

NWSA Goal

The NWSA has four objectives in place to achieve the goal to retain and grow cargo throughput, expand cargo diversity and enrich the supply chain ecosystem by providing best-in-class service and trade development, facilities, environmental stewardship, and organizational performance. Each objective has strategies listed below with key initiatives for each strategy.

1. **Best-In-Class Service and Trade Development**
 - a. Retain and attract new container cargo business.
 - b. Expand the gateway's non-container business.
 - c. Strengthen stakeholder partnerships and deliver exceptional customer service.
 - d. Create operational value proposition that sets NWSA apart from alternative gateways.
 - e. Enrich supply chain ecosystem to help attract and anchor cargo business.
 - f. Advance a comprehensive Multi-Year Statewide Trade Development Strategy that drives sustained growth of ocean cargo through WA State.
 - g. Maximize outside funding to support gateway and supply chain operations.
 - h. Promote the mission, objectives, and activities of the NWSA to increase cargo growth.
2. **Best-In-Class Facilities**
 - a. Develop and maintain best-in-class cargo infrastructure and equipment to support efficient cargo movement.
 - b. Identify best use of and opportunities to leverage licensed properties supporting cargo growth and the supply chain.
3. **Best-In-Class Environmental Stewardship**
 - a. Accomplish the goals set forth in the Northwest Port's Clean Air Strategy and the NWSA's 2026-2030 Clean Air Implementation Plan.
 - b. Balance industry needs with effective stormwater management through continued leadership on water quality in Washington state.

4. **Best-In-Class Organizational Performance**
- Meet or exceed our budget objectives, as adjusted for dynamic business decisions of the NWSA.
 - Improve organizational culture and internal operations.

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 volumes 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. Despite these challenges, NWSA staff continue to work on future projects to retain and grow our cargo volumes.

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 lines 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 hourly equipment rental 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.

2027 Budget

The NWSA has developed an overall operating budget with projected revenue of \$271.6 million. Operating income is budgeted to be \$80.6 million, resulting in an operating margin of 29.7 percent. The NWSA net distributable revenue of \$115.5 million, which includes grant and interest. Distributable Cash of \$153.9 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 any Harbor Maintenance Tax funding provided to the two homeports directly by the Federal government.

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 2027 - 2031 capital projects include:

Seattle Harbor

- Replace the N & NW bulkhead at T46
- Construction of shore power at T18
- Design and construction of North & South water main and valve at T18
- Rehabilitate the wharf at T30

Tacoma Harbor

- Expand Husky terminal
- Construct the Husky and WUT toe wall and deepen the berth
- Rebuild the Wapato Creek culvert
- Modernize terminal 7D
- Replace wooden light poles at several

- terminals
- Design of shore power systems at PCT and WUT
- Upgrade bollard at PCT and WUT
- Construct of reefer racks and plugs at PCT
- Ongoing maintenance of facilities

Both Harbors

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

The NWSA's 2027 Capital Investment Plan of \$167.3 million represents the first year of the NWSA's 2027 - 2031 CIP – a package totaling \$573.3 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 provides 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.

2026 marks two important milestones in this regard. First, the City of Fife broke ground on the final phase of the Interstate 5/Port of Tacoma Road Interchange Improvement Project. The current interchange is a chokepoint for trucks travelling to and from the NWSA's marine cargo facilities in Tacoma. The project will improve level of service for those vehicles, as well as improve the operation of the I-5 mainline and all streets and intersections in the project vicinity.

The second important project involves the completion of State Route 167, a critical last mile connector for goods transiting to and from the South Harbor. The Washington State Department of Transportation opened the first major section of the new highway to traffic this fall, connecting NWSA terminals directly to

Interstate 5. It also broke ground on the very last phase of the project, which will connect Interstate 5 to the City of Puyallup and, in turn, the Kent Valley—home to the second largest distribution center network on the West Coast.

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 been installed at TOTE Terminal, Husky Terminal and Terminal 5. The NWSA has also begun construction of shore power at two berths at T-18, with the third berth planned to begin construction in 2028. Additionally, design of shore power is underway for both Pierce County Terminal and Washington United Terminals in Tacoma.

The NWSA has leveraged a number of sources of external funding to support the shore power installations that are underway. 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 for two berths 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. NWSA received an additional \$8 million in congressionally directed spending from the FY26 federal appropriations bill that will enable the NWSA to install shore power at a third berth at Terminal 18.

The NWSA continues to plan 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 10-15 years ago. While channels serving Seattle and Tacoma are mostly -51 feet or deeper, depth limitations 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 USACE and NWSA are now moving forward with the West Waterway portion of the project. Additionally, in 2022 Congress authorized a project to deepen the Blair Waterway, which serves NWSA's three international container terminals in Tacoma. Design for both projects is nearly complete, and construction is scheduled to begin on both projects in 2028.

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 traditionally 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. In 2026, the ports of Seattle and Tacoma received \$27.7 million and \$32.7 million

respectively.

Funding for the HMT donor port program is not guaranteed in future years, but NWSA has worked with AAPA and other donor and energy transfer ports to include provisions in the 2026 Water Resources Development Act to limit the ability of the Executive Branch to restrict distribution of these funds. We are hopeful these provisions will be retained in the final bill, which Congress is anticipated to pass by the end of the calendar year.

Donor port funding secured in future years 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 changes in the global economy and federal and state administrations 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.

III Business Outlook

U.S. Economy

Despite headwinds, the U.S. economy has been resilient in 2026. Consumer spending, which accounts for roughly 70% of U.S. GDP, has been relatively stable despite stubborn inflation and higher prices fueled by U.S. tariff policy and geopolitical conflicts. Economic growth has been moderate but resilient, with real GDP growth estimated at 1.8% for the full year, supported by capital expenditures, especially in the AI and technology sectors, and sustained consumer spending. In 2027, the economy is expected to experience moderate, sustained growth due to continued investment in AI technology and infrastructure and consumer demand supported by household wealth and favorable tax policies. Inflation is expected to cool, unemployment is expected to remain steady, and interest rates are expected to decline.

Employment is expected to remain stable through 2027, ranging from 4% to 4.6%. Higher unemployment could lead to a drop in consumer spending and slower economic growth.

Some forecasters continue to warn about the possibility of a recession, however, most expect moderate economic growth to continue at a slower pace than the post-pandemic years.

There are risks. U.S. trade and tariff policies are unpredictable at best. A prolonged Middle East conflict could lead to even higher energy and fuel prices, driving inflation and higher interest rates. If inflation remains high, interest rates are expected to remain elevated. If inflation is higher than wage growth, consumer spending may suffer.

Shipping Industry

Tariff uncertainty coupled with ongoing wars are making it difficult for long-term sourcing planning.

The U.S.-China trade war and COVID pandemic caused U.S. importers to accelerate efforts to shift sourcing and production from China to countries in SE Asia or use a "China + 1" strategy to diversify supply chain risk. It will take some time before these countries can compete with the infrastructure and skilled labor China offers. That said, while manufactured imports from Vietnam and other SE

Asian countries have grown considerably, many of the origin and transshipment ports in SE Asia are geographically closer (transits shorter and less expensive) to the U.S. East Coast. As sourcing activity shifts, there is a risk that cargo that had been produced in China will move to countries for which vessel service with NWSA is limited.

Russian's invasion of the Ukraine and the conflicts in the Middle East continue to inject uncertainty and risk into supply chains.

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 2026, the composition of carriers that make up the various shipping alliances remains unchanged:

- Gemini Cooperation – Maersk and Hapag-Lloyd
- Premier Alliance – Yang Ming, ONE, and HMM
- Ocean Alliance – CMA CGM, COSCO Shipping, Evergreen, and OOCL
- Major Independent Carriers – MSC, Swire (Westwood), and SM Line.

The Northwest Seaport Alliance Activity

Containers:

Through July 2026, the NWSA has handled 1.7 million TEUs (twenty-foot equivalent units), an 11.3% decrease year-to-date due to tariff-induced frontloading in 2025 and the suspension of the UWL Sun Chief service, which was driven by market conditions.

An influx of containerized cargo volume is expected later in the year. Congestion at Southern California ports resulting from weather-related shipping delays in Asia will support cargo diversion to NWSA and other West Coast gateways. Separately, El Niño-related draft restrictions and a reduction in the number of daily transits at the Panama Canal have reduced vessel capacity. This will support cargo diversion from East and Gulf Coast to West Coast ports.

NWSA container volume is projected to increase in 2027. Continued inflation, high gas prices, 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 ongoing trade friction or other geopolitical events could impact container volume. In addition, near sourcing from Mexico, which faces issues, could also have an impact.

Breakbulk:

Breakbulk cargo is comprised of commodities that are 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.

Revenue breakbulk tonnage is estimated to reach approximately 245 metric tons in 2027. GLOVIS America is establishing a high-and-heavy equipment processing center in Tacoma, which will drive new business through the gateway. The continued focused on AI data centers is also expected to support a higher volume of energy-related shipments.

Demand for agricultural and industrial equipment has been negatively impacted by high interest rates, tariffs, and inflation. Although U.S. farmers are under pressure due to increased fuel and fertilizers costs driven by the Iran War, older fleets will need to be replaced soon.

High operating costs, trade disruptions, and

suppressed industrial activity due to the war are downside threats to heavy machinery demand.

Autos:

NWSA/POT auto units for 2027 are forecasted to reach 325K units. Subaru Canada, a new auto brand for the gateway, has entered into a three-year agreement. Diversion of auto shipments from Canada due to port congestion is also expected in 2027.

High interest rates, inflation, and tariffs have made new automobiles less affordable, negatively impacting demand. The average cost of a new car as of September 2026 has risen to *\$43,925 and the average monthly loan payments to *\$770. This has caused some consumers to delay new car purchases in favor of maintaining older vehicles or purchasing used cars.

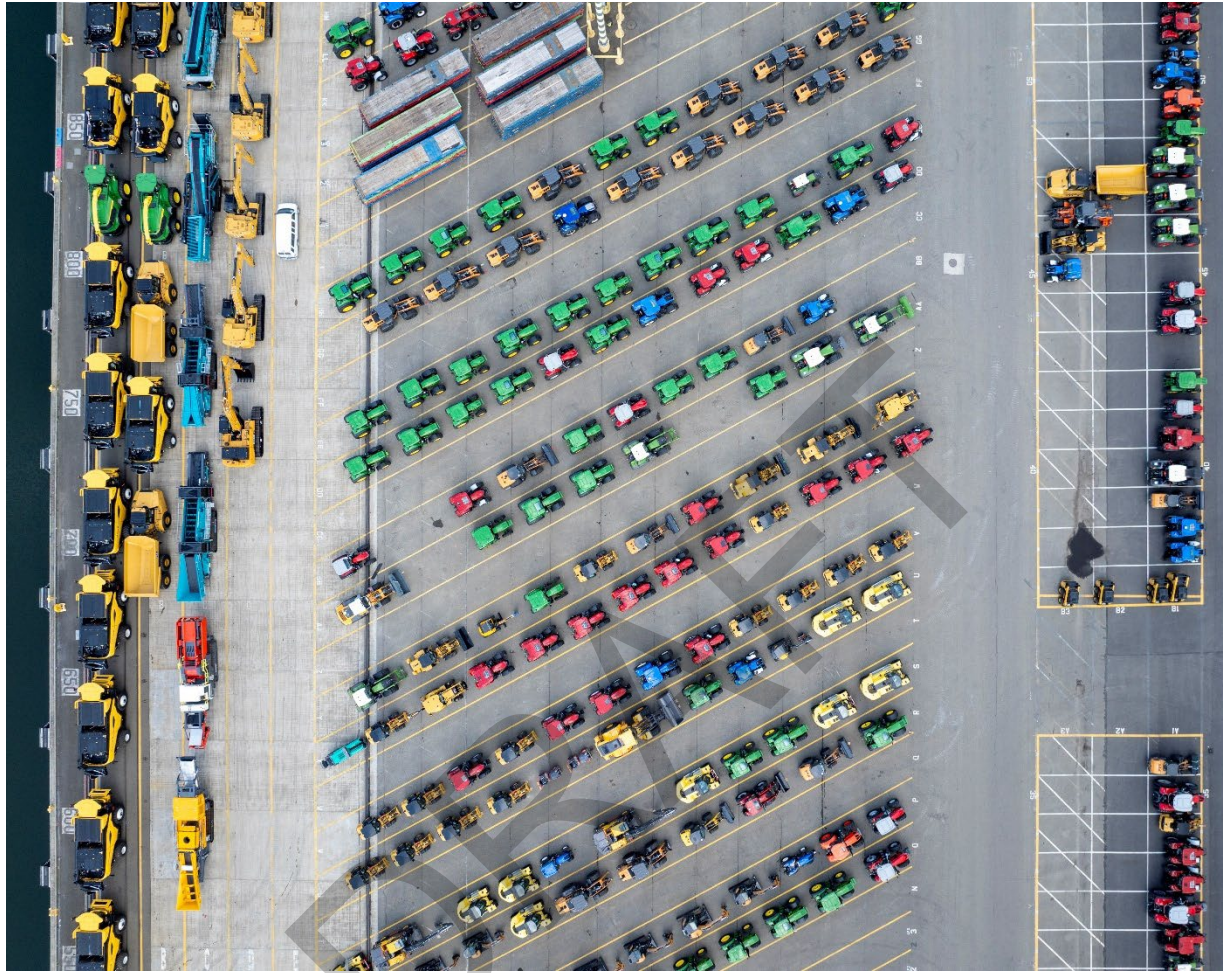
Molasses and Petroleum:

Molasses volumes are forecasted to be 31K metric tons in 2027. The rise in protein-rich products coupled with increased awareness of animal health and nutrition has increased the demand for premium feed ingredients.

Petroleum volumes are forecasted to be 847K metric tons in 2027 — contingent on contracts with cruise lines. The terminal operator does not expect major volume changes in outlying years.

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

THE NORTHWEST SEAPORT ALLIANCE CARGO ACTIVITY 5-YEAR FORECAST												
	2020	2021	2022	2023	2024	2025	Forecast					
Non-Container Forecast (Thousands of Metric Tons)												
Revenue-Generating Breakbulk	170	239	342	321	273	223	236	245	249	254	259	263
Autos	245	262	288	567	578	471	497	488	490	502	516	526
Petroleum	677	524	709	785	880	840	840	847	851	855	859	864
Molasses	42	33	32	39	15	14	26	31	32	34	35	37
Total Tonnage	1,134	1,058	1,371	1,712	1,746	1,548	1,600	1,610	1,622	1,644	1,669	1,691
<i>Year over Year change</i>	-11.2%	-6.7%	29.5%	24.9%	2.0%	-11.3%	3.4%	0.6%	0.7%	1.4%	1.5%	1.3%
Container Forecast (Thousands of TEUs)												
International	2,636	2,992	2,650	2,237	2,610	2,419	2,205	2,221	2,258	2,309	2,362	2,416
Domestic	685	744	734	738	730	738	737	744	751	759	766	774
Total TEUs	3,320	3,736	3,384	2,974	3,341	3,157	2,942	2,965	3,009	3,068	3,128	3,190
<i>Year over Year change</i>	-12.1%	12.5%	-9.4%	-12.1%	12.3%	-5.5%	-6.8%	0.8%	1.5%	2.0%	2.0%	2.0%
Intermodal Yard Lifts*												
Hyundai Intermodal Yard	85,401	125,228	101,828	140,865	147,935	113,627	83,459	86,600	88,332	90,099	91,901	93,739
North Intermodal Yard	147,269	159,023	91,583	110,369	159,154	163,174	152,245	152,000	155,040	158,141	161,304	164,530
South Intermodal Yard	89,529	102,168	121,561	120,885	111,657	122,532	114,250	107,040	109,181	111,364	113,592	115,864
Pierce County Intermodal Yard	45,684	27,856	33,926	40,056	48,491	35,623	31,398	30,800	31,416	32,044	32,685	33,339
Total Intermodal Lifts	367,883	414,275	348,898	412,175	467,237	434,956	381,352	376,440	383,969	391,648	399,481	407,471
<i>Year over Year change</i>	-20.1%	12.6%	-15.8%	18.1%	13.4%	-6.9%	-12.3%	-1.3%	2.0%	2.0%	2.0%	2.0%
Vehicle Units (NWSA+POT)	156,205	162,484	172,979	338,917	337,749	274,186	306,640	325,047	326,347	334,370	344,107	350,989
<i>Year over Year change</i>	-18.6%	4.0%	6.5%	95.9%	-0.3%	-18.8%	11.8%	6.0%	0.4%	2.5%	2.9%	2.0%
* Intermodal Lifts Reported for South Harbor only												



Roll On Roll Off Cargo at East Blair 1 Terminal Tacoma.

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 between 4% and 7%
- Major operating expenses include construction of non-NWSA owned infrastructure, 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 are charged against the NWSA

Home Port Services Provided

Each home port provides services to the alliance, and some NWSA personnel provide 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 personal knowledge 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*

(\$ millions)

	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Operating Revenues				
Container	296.6	219.0	213.9	216.2
Non Container	33.6	28.0	38.2	36.7
Real Estate	18.9	19.2	18.4	18.7
Other	0.0	0.0	0.0	0.0
Total Operating Revenues	349.1	266.3	270.4	271.6
Direct and Maintenance Expenses				
Container	54.0	57.4	70.5	54.3
Non Container	23.4	22.8	22.3	22.9
Real Estate	1.9	1.3	1.2	1.5
Other	18.7	32.8	18.7	35.1
Total Direct & Maintenance Expenses	98.0	114.3	112.8	113.9
Administration	24.5	26.8	24.8	27.1
Security	5.4	7.3	6.8	7.3
Environmental	2.3	6.7	3.7	4.4
Total Operating Expense before Depreciation	130.2	155.1	148.2	152.7
<i>Operating Income before depreciation</i>	<i>218.8</i>	<i>111.2</i>	<i>122.1</i>	<i>118.9</i>
Depreciation & Amortization	26.7	34.3	30.7	38.3
Total Operating Expense	156.9	189.4	178.9	191.0
Income from Operations	\$192.1	\$76.9	\$91.5	\$80.6
<i>Return on Revenue</i>	<i>55.0%</i>	<i>28.9%</i>	<i>33.8%</i>	<i>29.7%</i>
Non Operating Income (Expense)	21.8	39.9	31.6	34.9
Distributable Income before Special Item	214.0	116.8	123.0	115.5
Special Item				
Distributable Income	\$214.0	\$116.8	\$123.0	\$115.5
Distributable Cash	\$240.7	\$151.1	\$153.7	\$153.9

* Amounts may not foot due to rounding.

Table IV-2... Operating Revenue and Expense Detail*

(\$ millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Property Rental	\$71.3	\$69.5	\$67.1	\$70.5
Sale of Utilities	3.2	4.0	3.2	3.5
Services Marine Terminals	172.9	166.1	171.5	172.4
Equipment Rentals	18.9	19.5	23.5	23.1
Other Revenue	82.9	7.2	5.1	2.1
Operating Revenue	349.1	266.3	270.4	271.6
Home Port Services Provided	27.4	29.7	28.3	30.7
Port Salaries & Benefits	12.2	14.8	14.8	15.2
Outside Services	6.0	7.0	5.1	6.6
Longshore Labor & Fringe	15.1	14.3	14.8	15.1
Direct Expenses	31.0	40.4	37.3	40.7
Marketing & Global Outreach	0.7	0.9	0.8	0.9
Travel & Hosting	0.9	1.4	1.1	1.2
Maintenance	26.4	32.8	36.6	31.5
Office Equipment & Supplies	0.3	0.3	0.3	0.5
Utilities	6.4	8.4	7.1	7.7
Other Employee Exp	0.2	0.3	0.2	0.3
Other Expenses	3.0	-0.1	0.1	0.0
Environmental	0.7	5.0	1.8	2.3
Total Operating Expenses before Dep.	130.2	155.1	148.2	152.7
<i>Operating Income before Depr.</i>	<i>218.8</i>	<i>111.2</i>	<i>122.1</i>	<i>118.9</i>
Depreciation & Amortization	26.7	34.3	30.7	38.3
Total Operating Expenses	\$156.9	\$189.4	\$178.9	\$191.0
Operating Income	\$192.1	\$76.9	\$91.5	\$80.6
<i>Return on Revenue</i>	<i>55.0%</i>	<i>28.9%</i>	<i>33.8%</i>	<i>29.7%</i>
Non Operating Revenue and Expenses	21.8	39.9	31.6	34.9
Net Assets Before Special Items	214.0	116.8	123.0	115.5
Increase in Net Assets	\$214.0	\$116.8	\$123.0	\$115.5
Distributable Cash (calculated)	\$240.7	\$151.1	\$153.7	\$153.9

* Amounts may not foot due to rounding.

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

Statement of Revenues, Expenses and Changes in Net Position				
Company: The Northwest Seaport Alliance				
	2025 Actual	2026 Forecast	2027 Budget	Change from Prior Year Forecast
<i>(\$ Millions)</i>				
Operating Revenue	\$349.1	\$270.4	\$271.6	0.5%
Total Operating Expenses before Dep.	(130.2)	(148.2)	(152.7)	3.0%
Depreciation & Amortization	(26.7)	(30.7)	(38.3)	25.0%
Operating Income	192.1	91.5	80.6	-11.9%
Non Operating Revenues (Expenses)				
Interest Income	5.0	4.1	3.1	-24.6%
Premium Discount	(0.1)	(0.0)	0.1	-363.6%
Market Value Adjustments	0.5	(0.1)	0.0	-100.0%
Grant Income	17.0	24.8	30.4	22.4%
Other Non Operating Revenue (Expense)	(0.6)	2.7	1.4	-50.0%
Total Non Operating Income (Expense)	21.8	31.6	34.9	10.7%
Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Distributable Cash				
Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Add Depreciation and Amortization	26.7	30.7	38.3	25.0%
Distributable Cash*	240.7	153.7	153.9	0.1%
Net Position				
Net Position beginning of year	660.2	724.3	775.9	7.1%
Add Contributions and Expected Capital Construction	79.7	82.3	150.6	83.0%
Add Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Less Cash Distributions	(229.6)	(153.7)	(153.9)	0.1%
Net Position end of year	\$724.3	\$775.9	\$888.3	14.5%
* 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*

(\$ Millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Port of Tacoma to NWSA	\$33.8	\$37.4	\$36.2	\$39.0
Port of Seattle to NWSA	\$15.0	\$12.5	\$12.5	\$13.7
NWSA to Port of Tacoma	\$0.9	\$0.9	\$0.8	\$0.9

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

(\$ millions)	2027	2028	2029	2030	2031
Operating Revenue	\$271.6	\$277.7	\$287.8	\$296.0	\$305.0
Total Operating Expenses before Dep.	(152.7)	(157.6)	(153.6)	(156.2)	(157.6)
Depreciation & Amortization	(38.3)	(45.1)	(49.5)	(56.5)	(61.0)
Operating Income	80.6	75.0	84.7	83.3	86.3
Grant Income	30.4	20.8	2.1	0.8	0.0
Other Non Operating Income	4.5	2.9	3.3	3.1	3.4
Net Distributable Revenue	115.5	98.7	90.0	87.2	89.7
Distributable Cash (calculated)	\$153.9	\$143.8	\$139.5	\$143.7	\$150.7

* Amounts may not foot due to rounding.



Container Ship at Husky and WUT Terminals in Tacoma.

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 2026, the NWSA worked on the following capital projects:

- Maintenance dredging at several terminals
- Design plans for the toe wall and berth deepening at Husky and WUT terminals
- Construct the transtainer runs, shore power and repair fenders at T18
- Complete several projects at T5 including uplands paving, container yard expansion, and reefer high voltage distribution

The 2027 - 2031 Capital Investment Plan focuses on the following strategic and maintenance projects:

Strategic investments:

- Modernization at Terminal 7D in Tacoma
- Terminal expansion at Husky
- Construction of shore power system at T18, and design of shore power at WUT and PCT
- Construction of toe wall and dredging at Husky terminal and WUT
- Construction of reefer racks and plugs at Pierce County Terminal

Maintenance investments:

- Replace lift station at T18
- Design of North & South water main and valve at T18
- Rehabilitate Wapato creek culvert
- Maintenance dredging at several container terminals of both harbors

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)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Historical Capital	90.6	58.8	53.6	56.3						
Planned Capital					82.1	148.6	139.8	149.1	66.9	19.9
Grand Total	\$ 90.6	\$ 58.8	\$ 53.6	\$ 56.3	\$ 82.1	\$ 148.6	\$ 139.8	\$ 149.1	\$ 66.9	\$ 19.9

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 three project stages:

- **Budgeted and Authorized:** These are ongoing projects or projects ready to proceed based on customer commitments or a high degree of certainty. Both are included in the budget.
- **Created:** 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 Budgeted and Authorized (excludes Created) 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 NWSA's 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 \$573.3 million worth of planned projects in the next five years, with \$167.3 million of that total earmarked for 2027.

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 146 projects, 80 of which are capitalized and 66 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. Depreciation expenses expect to increase when these projects are complete: redevelopment of Terminal 5 phase 2, modernization at Terminal 7D, Terminal 18 shore power, T18 pile cap rehab, and construction to replace aging assets of the Wapato creek culvert.

Funding

Capitalized projects are funded by the two homeports. Expensed projects are funded by cash generated by the NWSA. Projects may be qualified to be funded by HMT funds, grants or other 3rd party funds if available.

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

(\$ Millions)

	2027	2028	2029	2030	2031	Total
Infrastructure	\$13.8	\$9.2	\$3.2	\$2.2	\$0.7	\$29.0
Renewal	139.6	126.1	141.7	66.7	21.8	495.9
Revenue	13.9	20.3	10.9	3.3	0.0	48.4
Grand Total	\$167.3	\$155.6	\$155.7	\$72.2	\$22.5	\$573.3

Amounts may not foot due to rounding

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

(\$ Millions)

	2027	2028	2029	2030	2031	Total
Capitalized	\$148.6	\$139.8	\$149.1	\$66.9	\$19.9	\$524.2
Operating Expense	18.7	15.8	6.6	5.3	2.6	49.0
Non-Operating Expense	0.0	0.0	0.0	0.0	0.0	0.0
Grand Total	\$167.3	\$155.6	\$155.7	\$72.2	\$22.5	\$573.3

Amounts may not foot due to rounding

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

(\$ Millions)

	2027	2028	2029	2030	2031	Total
Container Business	\$145.0	\$119.4	\$117.2	\$66.4	\$21.8	\$469.7
Non Container Business	\$10.7	\$22.9	\$30.5	\$3.6	\$0.0	67.7
Real Estate	\$2.0	\$8.6	\$4.3	\$0.1	\$0.1	15.0
Infrastructure	\$9.6	\$4.7	\$3.7	\$2.2	\$0.7	20.8
Grand Total	\$167.3	\$155.6	\$155.7	\$72.2	\$22.5	\$573.3

Amounts may not foot due to rounding

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

(\$ Millions)

	2027	2028	2029	2030	2031	Total
Container Business	\$ (9.7)	\$ (16.2)	\$ (20.4)	\$ (23.6)	\$ (28.4)	\$ (98.3)
Non Container Business	(0.5)	(0.9)	(1.1)	(4.7)	(4.9)	\$ (12.1)
Real Estate	(0.1)	(0.1)	(0.3)	(0.6)	(0.6)	\$ (1.7)
Infrastructure	-	-	-	-	-	\$ -
Grand Total	\$ (10.3)	\$ (17.3)	\$ (21.8)	\$ (28.9)	\$ (33.8)	\$ (112.0)

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

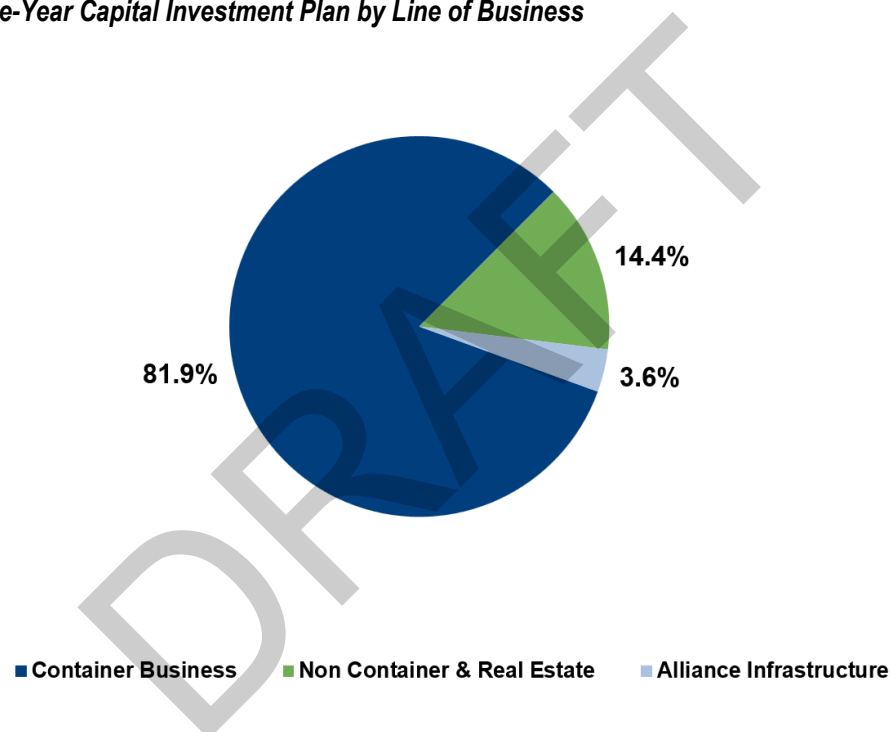
Planned capital expenditure for container terminals will total approximately \$470 million over the next five years. The CIP for this business will provide the

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

Non-Container Business & Real Estate

Approximately \$83 million will be spent on facility improvement for terminal operations, auto, bulk 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. Working with our partners – including shippers, ocean carriers, marine terminal operators, drayage trucking companies, near-port community groups, and many others – the NWSA developed a best-in-class approach to environmental stewardships built on the following principles:

- Fully integrate environmental, economic and financial/business planning and decision-making; .
- Collaborate, and be responsive to the market, our customers and operating partners, and near-port communities;
- Identify and pursue innovative, collaborative, 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 2027, the NWSA plans to focus its environmental efforts on water and air quality and greenhouse gas emission reductions, with the bulk of that work on NWSA licensed properties in the Seattle and Tacoma harbors.

In addition, the NWSA has partnered with the Ports of Seattle and Tacoma along with other key industry, environmental, state and federal stakeholders and partners to develop a large commercial vessel Quiet Sound program. This program is managed by Maritime Blue and promotes 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 over \$200,000 in 2026 towards this effort to sustain the program. In 2024-25, 64% of vessel transits slowed, leading to a 20%

underwater noise reduction in frequency used for Southern Resident Killer Whale (SRKW) communication.

Water Quality Program

NWSA's Water Quality (WQ) team is comprised of professionals with experience in site inspection, monitoring, water quality treatment 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 to engage 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.

In 2026, Water Quality staff continued s implementing the 2025 Industrial Stormwater General Permit (ISGP), which took effect January 1, 2025. This included:

- Collecting samples from overwater structures.
- Working with Ecology on settlement agreements
- Participating in early input sessions facilitated by the Washington Stormwater Center for the 2029 ISGPGP
- Port representative on Ecology Statewide Stormwater Action Monitoring (SAM) workgroup
- Completing industrial and outfall site inspections ahead of schedule.
- Working with Maintenance to complete maintenance on treatment systems ahead of first flush to ensure we are prepared for the rainy season.

- Educating internal and external stakeholders on the 2025 ISGP.

Additionally, Water Quality Staff continued to provide technical support for multiple legal cases related to the ISGP, including providing testimony to the Pollution Control Hearings Board in support of Ecology at the 2025 ISGP appeal hearing in February.

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 while sharing results with tenants and stakeholders. In 2025, the WQ Team received pilot use designation from Ecology's Emerging Stormwater Technologies (TAPE) Program, for treatment systems designed for use at the Tacoma and Seattle harbors. This stems from a 2024 application submitted through Ecology's General Use Level Designation (GULD) website.

In 2027, the WQ Team plans to submit another application for this program. Successful inclusion of our treatment systems on Ecology's GULD website allows 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 and 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.

2026 Accomplishments included:

- Work with Commercial to provide stormwater information on terminals to attract business to the north harbor.
- Assistance with tenant stormwater pollution prevention plans.
- 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.
- T-30 pilot study to determine the most cost-effective stormwater treatment approach for that facility.

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 2027 will be continuing to implement of the 2025 ISGP.

2026 Accomplishments included:

- WQ staff continued working with the City of Tacoma to negotiate terms of our Interlocal Agreement, coordinate on permitting issues, the MS-4 permit, and business inspections.
- Developed innovative treatment technology involvement with design of future Port of Tacoma Administration building and Maritime 253 building.
- Continue to provide design assistance to Port of redevelopment opportunities.
- Finalized West Sitcum Settlement
- WQ Design support for EBC redevelopment.

Additionally, the WQ Team completed an Enhanced Maintenance Plan for Port of Tacoma MS4 stormwater management program. Although initially created for a new state of the art decant facility and testing area, the plan will be updated to include water quality program wide items. We expect to reapply for an Ecology grant in 2027 for the EMP. Following acceptance from Ecology for the EMP, we will be able to pursue grant funding for items listed in the approved plan. for a new state of the art decant facility and testing area.

2027 Goals

In 2027, the WQ team will continue to

- Support projects including ditch maintenance in the Tacoma Harbor, and the Thorne Road Off-Dock Container Expansion yard for which Ecology funded a \$4.37 million stormwater grant.
- Engage with Ecology on early input for the 2029 Industrial Stormwater General Permit (ISGP).
- Implement the 2025 ISGP on Port and NWSA operated facilities.
- Work towards certification for treatment systems with Ecology GULD/TAPE program.
- Share stormwater information with tenants and assist with stormwater management issues.
- Utilize drone technology for outfall and other permit required inspections, derelict vessel investigations, and shoreline mapping.
- Implement the 2024 MS-4 Phase I permit for the Port of Tacoma.
- Be a leader in the stormwater section of Green Marine Certification.
- Support Engineering for all capital improvement projects including the T-30 stormwater treatment system
- Seek grant support for additional TAPE projects.

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) advancing 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 Cargo Handling Equipment (CHE) Program.

Key 2026 Accomplishments

Key accomplishments during 2026 include the following:

- Led development and adoption of the NWSA's 2026-2030 Clean Air Implementation Plan.
- Continued to lay the foundation for the first deployment of 19 battery-electric trucks in the NWSA gateway, slated to be in operation by mid-2027.
- Launched ZEDAP (Zero-Emission Drayage Assistance Program) to help drayage trucking companies serving the NWSA gateway navigate the transition to cleaner trucks.
- Helped re-launch the Puget Sound Zero Emission truck Collaborative to advance implementation of the Decarbonizing Drayage Roadmap published in April 2025.
- Coordinated implementation of the Clean Truck Program rule domestic terminals while continuing to implement the Diesel Truck Scrap-and-Replace Program.
- Developed a program to encourage increased use of renewable diesel in drayage trucks and cargo-handling equipment operating in the gateway.
- Continue to advance the NWSA's ZE CHE goals by: purchasing electric forklifts to serve the East Blair One Terminal; initiating ZE terminal planning at WUT and EB-1; and launching a ZE CHE Incentive Program.
- Continued to advance the NWSA's ZE vessels goals by: completing feasibility studies for green shipping corridors between the NWSA gateway and Korean ports; initiating development of a Clean Vessels Recognition Program and a cross-port Sustainable

Maritime Fuels Strategy; and supporting the creation of the Sustainable Maritime Fuels Collaborative.

- Continued to support the shore power program, including construction at T-18 and design at WUT, PCT, and EB-1.
- Continued to publish the Ports Clean Air Quarterly
- Launched www.nwcleanports.org, a cross-port web portal offering “one stop shopping” for near-port communities and other stakeholders seeking information on port-related clean air and climate solutions.

Key 2027 Goals

Key goals for 2027 include the following:

- Through the NWSA’s ZE Drayage Incentive Program, complete the first deployment of 19 battery-electric drayage trucks in the NWSA gateway.
- Through the NWSA’s Zero Emission CHE Incentive Program, put in operation at least 10 additional pieces of ZE CHE.
- Complete ZE Terminal Plans at WUT and EB-1, and initiate ZE terminal planning at one or more additional terminals
- Complete development of a gateway-wide Sustainable Maritime Fuels Strategy, in partnership with the homeports.
- Develop and implement programs for increasing the use of renewable diesel in CHE and drayage trucks.
- Initiate an on-going clean air and climate community forum in both harbors.

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, and facilitating port visioning. The Planning team 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 comments 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:** Monitor traffic congestion data and support advance warning technology projects, 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.

2026 Planning & Logistics Key Accomplishments

- Advanced concept design for accommodation of 10,000-foot arrival departure train tracks in the Tacoma harbor. Completed concept design for

additional rail on Terminal 18 in the Seattle harbor. Completed concept design for a 6-berth terminal in the Tacoma harbor on the Blair Waterway.

- Updated the NWSA Property Book.
- Prepared a long-term Gateway Growth Concept for NWSA facilities.

track designs

- Advance the T-18 rail design
- Advance NWSA growth opportunities through strategic property evaluations

2027 Planning & Logistics Goals

- Support implementation of the Resilient Gateway Program Implementation Plan.
- 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.
- Complete bathymetric survey for both harbors.
- Advance the 10,000 arrival and departure



Automobile cargo at T46 in Seattle.

Appendix A: NWSA Full Time Personnel

	NWSA			
	2025 Actual	2026 Budget	2026 Actual	2027 Budget
Executive	11	11	11	11
Human Resources	-			
Government Affairs & Communications	4	5	5	5
Finance & Administration	2	2	2	2
Commercial Business	19	21	21	21
Operations	12	12	11	12
Engineering, Environmental & Planning	16	18	18	18
Total	64	69	68	69

*2026 Actual is 2026 forecasted ending headcount

Northwest Seaport Alliance Average Compensation (excluding CEO)

The 2027 staffing budget of \$15,181,158 includes the following:

- \$10,898,199 for salaried employees which includes:
 - \$279,531 for annual pay increases for salaried employees starting April.
 - \$24,665 for annual recognition program paid to salaried employees in April.
 - \$49,329 for marketplace adjustment for salaried employees during the year.
 - Average salary of \$159,126
- Total benefits of \$4,282,959

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. 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 and Professional Organizations

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

Trade Promotion Organizations

These memberships give the marketing and sales staff important contacts and current industry trade information that enhances the NWSA's 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	\$95,000
Pacific Northwest Waterways Association	40,000
National Association of Waterfront Employers	20,000
Washington Council on International Trade	20,000
Green Marine	12,000
DBM Association	11,667
All Other Memberships	86,938
Total NWSA Memberships	\$285,605

American Association of Port Authorities

AAPA is an alliance of leading ports in the Western Hemisphere that protects and advances the common interests through advocacy, professional development, relationships, and public awareness.

Pacific Northwest Waterways Association

The Association advocates funding for navigation projects including those on the Columbia Snake River System, in the Puget Sound and along the coast.

National Association of Waterfront Employers

The Association promotes marine cargo efficiency, security and health, environmental stewardship, international trade, and economic growth through advocacy, education, and industry cooperation.

Washington Council on International Trade

The Council advocates for policies that increase Washington's international competitiveness.

Green Marine

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

Distribution Business Management Association

DBMA provides a forum among industry leaders and academia that seeks solutions to supply chain issues.

The Northwest Seaport Alliance

Mailing Address

P.O. Box 2985
Tacoma, WA 98401-2985

Phone: 800-657-9808

Website: www.nwseaportalliance.com

PORT OF TACOMA

Administrative Offices

Street Address

One Sitcum Plaza
Tacoma, WA 98421

Mailing Address

P.O. Box 1837
Tacoma, WA 98401

Phone: 253-383-5841

FAX: 253-593-4534

Website: www.portoftacoma.com

**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 2027. This Agreement and attached Service Directive exhibits are effective between January 1, 2027 and December 31, 2027. 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 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

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

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

Port of Seattle:

Chris Wimsatt, Chief Financial Officer
PO Box 1209
Seattle, WA 98111
wimsatt.c@portseattle.org

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.

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

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.

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.

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

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 2027
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 14 – Labor Relations Support Services
- Exhibit 15 – Additional Support Services as Needed
- 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 the calendar year 2027.

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. Billing the NWSA for direct and indirect charges.
- 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 in the North Harbor 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, administration, and project management services for NH federal and state grant programs.
- b) Finance & Budget
 - i) Provide Operating Budget services to include:
 - (1) Partner with the NWSA and POS staff to compile North Harbor expense budget.
 - ii) 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) Non 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.

DRAFT

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	2027 Budgeted Amount ²
Accounting					
AFR Core Services Dept# 2210	3.a.iv	Standard	Charge based on the standard allocation.	2.32%	\$20,260
AFR Disbursements Dept# 2240	3.a.ii	Special	Based on support services and activities provided by staff to each operating division and NWSA.	2.00%	\$52,402
AFR General Accounting Dept# 2260	3.a.iv	Standard	Charge based on the standard allocation.	2.32%	\$73,103
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%	\$198,372
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.	5.51%	\$192,434
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.	11.11%	\$222,003

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 Amounts may include charges to other subclasses that allocate to NWSA. 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%	\$18,496
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.		\$33,312
Insurance Dept# 1335	3.d.i	Direct Charge	NWSA Insurance Premium		\$923,191
Insurance Dept# 1335	3.d.i	Direct Charge	Property & Liability Broker Contract		\$1,223

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, 2027, 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.

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

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	1. Public works contracts paid within statutory period. 2. Open payables over 60 days 3. Rec'd not invoiced report reconciled weekly	1. 100% 2. \$0 3. Resolved within 1 month
Accounting – Projects	Accuracy	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. 3. Project costing information provided monthly.	1. 100% 2. 100% 3. 10 th bus day
Accounting - General	Time Based	1. Monthly Fin'l package avail a. NH GL data avail b. Cashflow avail	1. 13 th bus day a. 10 th bus day b. 11 th bus day

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**

		2. Annual audited financial statements avail.	2. April 30th
Accounting – Grants	Accuracy	1. Audit Findings	1. 0
Finance – Budget	Time Based	1. Provide North Harbor budget information by agreed upon dates	1. (date updated annually)
Finance – Financial Analysis	Time Based	1. Provide timely response and feedback regarding NWSA analyses, policies, or procedures.	1. Timely
Treasury – Investments	Management	1. Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order.	1. 100% compliance

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Chris Wimsatt

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 2027.

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.

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	2027 Budgeted Amount ²
Attorney Services Dept# 1310	3.a.i-iii	Standard	Charge based on the standard allocation.	2.0%	\$128,745
		Direct Charge	Any outside legal services charged through Port of Seattle		

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.

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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
- 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.

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 - 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 2027.

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

**EXHIBIT POS - 03 - Service Directive:
Information & Communication Technology and Security 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	2027 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 allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	POS PC Counts for Infrastructure, PC Support and Service Desk. Systems Support Costs for Business Applications.	2.5%	\$301,640
Dept# 1936		Special.	See above.	1.8%	\$130,464
Dept# 1970		Special.	See above.	2.8%	\$411,561
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	
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.	POS PC Counts	2.7%	\$147,324

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 Amounts may include charges to other subclasses that allocate to NWSA. 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. 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

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.

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 - 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 2027.

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	2027 Budgeted Amount ²
External Relations Dept# 1420	3.a	Fixed Amount	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.		\$110,000

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 Babst/Lindsay Wolpa
- 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.

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 the calendar year 2027.

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 (Seattle Public Utilities). NWSA shall be responsible for billing and collections for tenants related charges on NWSA licensed properties.
- 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 reimbursement to the NWSA as necessary (T5 Jack Block Park and T30 Police Station).
- iii)
- iv) Effective January 1, 2027, POS will no longer direct bill POS Stormwater Utility drainage fees to NWSA tenants for licensed properties. Staff will pass through monthly stormwater utility fees directly to the NWSA by parcel for NWSA licensed properties. The NWSA will be responsible for billing and recovery of NWSA tenant drainage fees. POS to notify NWSA of annual stormwater rates no later than

November of the preceding year. The established rates are effective January 1st through December 31st of each year.

- v) Process invoices for payment through the POS accounts payable system for NWSA contract fees for Terminal 106 Customs and Boarder Protection in compliance with the ILA by and between the NWSA and POS dated effective August 3, 2021. Such costs are allocated to the parties as follows: NWSA 87% and POS 13%.

vi)

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

a) Utility and Lease and Data Reporting Services:

- i) 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.
- ii) 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.

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. Provide cargo related reporting services and leasing services for T46 ILA POS premises.	N/A

7) Primary Contacts:

- a) NWSA – Jim Vo, Sr. Director, Real Estate Asset Management; Tong Zhu, Chief Commercial & Strategy Officer
- b) POS – Jennifer Maietta, Director Real Estate Asset Management

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.

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 2027.

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, including tasks such as condition assessments, facility evaluations, and other infrastructure-supporting work.

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.

- d) POS staff will provide capital development and project delivery services in accordance with the Memorandum of Understanding between Port of Seattle and Northwest Seaport Alliance for Project Delivery Services (attached to this Exhibit). The Memorandum of Understanding between Port of Seattle and Northwest Seaport Alliance for Project Delivery Services will be reviewed annually as part of this Inter-Local Agreement Exhibit.
- e) When an emergency is declared by the NWSA for Licensed Property in King County pursuant to RCW 39.04.280, POS staff will concurrently initiate a Homeport emergency declaration, follow the POS Emergency Contracting Guidelines, and provide support services for the emergency to 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	2027 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	Hourly Rate/Time and materials	\$472,154
	3.a	Special	Based on support services and activities provided by	5.55%	\$371,948

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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

			staff to each operating division and NWSA.		
Port Construction Services Dept# 1700	3.b	Project Charge	Expense Projects, Direct Charge & Project Costing overhead	Time and materials	
	3.b	Special	Based on support services and activities provided by staff to each operating division and NWSA.	5%	\$180,324
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	
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 and capital/business planning support.	Time and materials	\$1,446,325
	3.c	Special	Based on support services and activities provided by staff to each operating division and NWSA.	37.91%	\$198,346

**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 Memorandum of Understanding between Port of Seattle and Northwest Seaport Alliance for Project Delivery Services 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 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	Properly documented

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

		documents, are accurate and complete	
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

DRAFT

8) Primary Contacts:

- a) NWSA – Thais Howard
- b) POS:
 - i) Engineering – Janice Zahn & Heather Munden
 - ii) Project Management – Genevieve Pla-Rucki
 - 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 provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

**MEMORANDUM OF UNDERSTANDING BETWEEN
PORT OF SEATTLE AND NORTHWEST SEAPORT ALLIANCE
FOR PROJECT DELIVERY SERVICES**

This Memorandum of Understanding (the “MOU”) is made and entered into by the **PORT OF SEATTLE**, a port district and municipal corporation of the State of Washington (“POS”/“Homeport”), and **THE NORTHWEST SEAPORT ALLIANCE**, a port development authority and municipal corporation of the State of Washington (“NWSA”). The POS and the NWSA are also referred to in this MOU collectively as “the Parties,” and individually as a “Party.”

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 several federal and state authorities which authorize the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA; and

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 enter an annual Inter-Local Agreement For Support Services By And Between The Port Of Seattle And The Northwest Seaport Alliance “service level agreement (SLA)” to retain support services from one another pursuant to the terms and conditions contained herein; and

The intent of this MOU is to further define responsibilities, roles and responsibilities in the delivery of the agreed upon services defined in the SLA EXHIBIT POS – 06 Service Directive for Capital Development Support Services.

As used in this MOU, a “Project” creates or modifies a capital asset or creates a cost outside of normal operating expenses on NWSA Licensed Properties located in the North Harbor (Seattle). A Project may be classified as capital or expense.

SECTION 1. PROJECT SPONSORSHIP

The NWSA Executive Sponsor and NWSA Business Sponsor are responsible for sponsorship of any Project hereunder. Sponsorship includes ensuring the validity of the Project and owning the Project justification and alignment of the Project with business objectives and the Parties’ policies. Effective sponsorship also includes promotion of the Project from initial conception through Project closeout, and serving as the spokesperson to higher levels of management to gather support and promote the benefits of the Project. The Project Sponsor shares risk with the Project Team.

a. NWSA Executive Sponsor

The NWSA Executive Sponsor and Business Sponsor may be the same individual and is an NWSA employee. All Executive Sponsor expectations and responsibilities

may be delegated to other NWSA Staff. The NWSA Executive Sponsor shall be identified by the NWSA at the initial scoping of a Project and will support the Project as follows:

- i. Outline Project purpose and measures of success.
- ii. Has final authority to approve a NWSA Project scope, schedule, and budget.
- iii. Approves changes in scope and making go/no-go decisions when there are impacts to a lease, revenue, and/or facility operations and infrastructure.
- iv. Responsible (or assigns a delegate) for briefing the Managing Members with the assistance of the POS Project Manager as needed.
- v. Has final authority on decisions escalated by the POS Project Manager, Project Team, and/or NWSA Business Sponsor.

b. NWSA Business Sponsor

The NWSA Business Sponsor serves as the day-to-day sponsor of the Project and could be personnel from NWSA Real Estate, Operations Division, or Engineering. Examples of the NWSA Business Sponsor may include and is not limited to the Sr. Director of Engineering, NWSA Project Manager, Sr. Director of Real Estate, Property Manager, Director of Operations, or Sr. Director of Environmental and Planning.

The NWSA Business Sponsor will be identified by the NWSA at the initiation of a Project and will support the Project as follows:

- i. Play a significant role in the development of the initial scope.
- ii. Develop Project justification in coordination with the NWSA Sr. Director of Engineering.
- iii. Be included and engaged in day-to-day discussions relating to the Project.
- iv. Determine whether a NWSA Project commences, continues to progress, is deferred, or is canceled.
- v. Participate in project reviews at the end of defined phases.
- vi. Has authority to approve a NWSA Project scope, schedule, and budget.
- vii. Act as liaison (or assigned delegate) with NWSA Tenants for the Project Team.

- viii. Determine issues and information that should be shared with the NWSA Tenant and be responsible for that communication.
- ix. Serve as the first point of contact for POS Project Manager and Project Team when escalating Project issues and changes.
- x. Ensures a smooth transfer of the Project's deliverables after Project closure.

SECTION 2. PROJECT DEVELOPMENT & CAPITAL PLANNING

a. POS Asset Management Roundtable

The Asset Management Team at POS Marine Maintenance leads the Roundtable process annually. The purpose of the Asset Roundtable is to bring subject matter experts across numerous functions in maintenance, engineering, environmental, stormwater utility, project management, operations, property management, and finance to track current conditions of facilities and infrastructure as a precursor to capital planning and budgeting for future repairs and replacements. For NWSA Licensed Properties, the Asset Roundtable discussions will include NWSA Real Estate, Engineering, Operations, Finance, and other departments as needed.

b. NWSA Investment Decision and Development Process (IDDP)

- i. Overview: The purpose of NWSA's IDDP is to communicate and standardize the overall process for initiating Projects associated with new business opportunities, maintaining existing assets, or expanding existing capabilities or assets. As part of the annual IDDP, the NWSA will maintain a SharePoint site for POS staff to collaborate on. The NWSA IDDP SharePoint site outlines standard processes and procedures and will be the central repository for all IDDP items.
- ii. Opportunity Assessment (Stage 1): Any NWSA or POS staff member ("Opportunity Owner") may present an idea utilizing the Stage 1 Form, soliciting input from stakeholders as necessary. A NWSA Executive Sponsor and/or Business Sponsor will be identified for the opportunity should it move to Stage 2.
- iii. Development of a Stage 2 Form to include all findings will be completed during this process. A POS Project Manager may be assigned to complete a Stage 2 Form at the direction of the NWSA Sr. Director of Engineering on POS NWSA Licensed Properties in the North Harbor. Funding will be proposed in the NWSA Capital Improvement Plan (CIP) for approved Stage 2 Projects.

- iv. NWSA CIP Steering Committee: The CIP Steering Committee includes the NWSA Executive Leadership that will make all investment decisions, including moving requests from Stage 1 to 2, and adding requests into the NWSA CIP. POS staff may be invited to the Steering Committee meetings as needed.

SECTION 3. PROJECT INITIATION

a. Project Manager Assignments:

Projects approved on the NWSA CIP or unplanned Projects developing from a business or condition-related need may be assigned to either an NWSA or POS Project Manager (or applicable POS Maintenance Support). The NWSA may request that certain POS Project Management staff be assigned to NWSA Projects, and POS will make such final assignments as reasonable and practicable. The Parties will use the default decision matrix below to ensure consistency and transparency in allocating staffing resources.

b. Project Manager Assignment Decision Matrix

Project/Work Types	Project Manager Assignment
IDDP Project Development, Advance and/or Master Use Planning, and Feasibility Studies	NWSA
Condition Assessment Projects	NWSA
Oversight of Tenant Reimbursement Projects	NWSA
Oversight of Tenant Improvement Projects	NWSA
Capital Project Liaison (supporting and/or representing NWSA Business Sponsors on Projects)	NWSA
Traditional Design-Bid-Build Projects	POS
Alternative Delivery Projects	POS
Small Capital & Maintenance Expense Projects above \$100,000	POS
Non-Project Work: Corrective Maintenance and/or Minor Repairs below \$100,000	POS (Maintenance Support)

Exceptions to the decision matrix will be reviewed by the NWSA Sr. Director of Engineering and POS Director of Waterfront Project Management. Per the NWSA Charter, the final decision rests with the NWSA.

c. NWSA Executive Authorization

To formally start spending and committing funds against a Project, an authorization is required. The NWSA Master Policy on Delegation of Authority (“Master Policy”) directs when NWSA Managing Members authorization is required or when such authority has been delegated to the NWSA Chief Executive Officer. The most current NWSA Delegation of Authority Matrix outlines the NWSA CEO’s sub-delegation to which NWSA Staff who may authorize Projects and at what amount.

The Parties acknowledge that as of the date of this MOU, the NWSA Master Policy provides that Projects authorized by the Managing Members or delegated to the CEO may be executed by NWSA Staff, and that where personal, professional or purchased goods and services are part of a Project, authorization of expenditures are managed as part of the Project authorization and additional authorization is not required. The Master Policy further requires Managing Members’ authorization for any Material Change defined below (Section 4b). No spending may occur on a Project until an authorization is executed.

SECTION 4. PROJECT MANAGEMENT PLAN

a. POS Project Notebook

In delivering Projects for the NWSA, the POS Project Manager will follow the Waterfront Project Management Group’s standard Project Notebook process. At POS, capital and expense Major Projects (project valued over \$300,000) require a Project Notebook (a Project Management Plan containing relevant Project planning documents). The procedures described for the various Project Notebook Tabs are intended to be scalable and used by the POS Project Manager as appropriate for projects below \$300,000. For Major Projects delivered for the NWSA, the POS Project Manager will use Tab 1 (Executive Summary) as the primary mechanism to communicate and document agreed to scope, schedule, budget, and amendments.

b. Project Amendments & Decision Logs

POS Project Managers will communicate and collaborate with NWSA Business Sponsors and Sr. Director of Engineering (or delegate) on all changes to Project scope, schedule, and budget. In delivering Major Projects for the NWSA, the POS Project Manager will maintain a Decision Log and Risk Register to track and document all changes to Project scope, schedule, and budget. In addition to any needed NWSA CEO or Managing Members’ authorization, Material Changes to scope, schedule, or budget will require an amendment to the Project Notebook Tab 1 (Executive Summary) and formally documented in the amendment section. A Material Change is defined in the NWSA Master Policy as “work that was not previously included in the Project authorization or substantially changes the intent of the Project.” Examples could include one or more of the following:

- i. Project schedule delay that has an anticipated financial impact on a NWSA customer or other affected stakeholders.
- ii. Project cost change(s) resulting in the Project exceeding the amount previously authorized by the Managing Members.
- iii. Acquisition planning change(s) resulting in the selection of an Alternative Delivery Method requiring Managing Members authorization.

c. POS Asset Owner vs. Service Provider

On NWSA Projects, the POS Project Manager (and supporting POS staff) may perform dual functions as both a project delivery service provider to the NWSA and underlying property owner representative for the Homeport. As the underlying property owner, POS shall have the right to incorporate additional scopes and services into a Project beyond the NWSA requirements and applicable regulatory requirements.

In such cases, POS shall be responsible for any additional cost related to scopes and services requested by POS as the underlying property owner that are above and beyond the NWSA Project requirements and applicable regulatory requirements. Examples of additional scopes and services may include POS design standards and sustainability initiatives above NWSA requirements. POS will fund these requests as Homeport (POS Joint Venture) costs.

d. Escalation Protocols

In delivering complex Projects, differences may arise between the Parties that are silent in this MOU, NWSA North Harbor Service Level Agreements, or NWSA Charter. In those instances, differences should be resolved at the lowest level before escalating sequentially as follows:

Escalation	NWSA Representative	POS Representative
Level 1	NWSA Staff	Team Manager (Program Leader or equivalent project delivery manager)
Level 2	Sr. Director of Engineering	Department Director (Director of Waterfront Project Management Group or equivalent project delivery director)
Level 3	Executive Sponsor or Executive Team Member	Managing Director of Maritime Division or Deputy Executive Director

Level 4	Chief Executive Officer	Executive Director
Level 5	Managing Members	

e. Performance Management

For instances where a POS Project Team Member(s) is not meeting their roles and responsibilities on the Project, the NWSA will use the following defined performance management process to address the concern(s).

- i. The NWSA Staff (or delegate) should have a timely and direct conversation with the POS Project Team Member to identify and discuss the concern(s).
- ii. Should the concern(s) persist, the NWSA Sr. Director of Engineering (or delegate) will formally document the grievance and initiate the escalation protocols noted above.
- iii. As part of the Level 1 escalation, an appropriate POS Team Manager will address the concern(s) with the POS Project Team Member in accordance with the POS Human Resource policies and procedures for performance management, corrective actions, and progressive discipline. The Parties agree that best practice for performance management should not exceed Level 1.
- iv. For Level 2 escalation, the POS Department Director will collaborate with the NWSA Sr. Director of Engineering to honor the NWSA's request and/or expectations. POS Department Director will have final accountability in addressing performance concern(s), including potential removal of POS Project Team Member(s) from the NWSA Project.
- v. The Parties agree that the goal of performance management should not move beyond Level 2.

To ensure effective sponsorship, POS will reserve its right to provide feedback and address performance concern(s) with NWSA Staff. POS will follow the same escalation protocols defined above.

SECTION 5. MANAGING MEMBERS AUTHORIZATION

a. Project Funding Authorization and Presentations to NWSA Managing Members

Authorization from Managing Members is required for Projects where the total estimated Project cost exceeds the NWSA CEO's delegated authority or when actual costs of a previously approved Project exceed the delegated limit. Project presentations, briefings, and/or memorandums to Managing Members will be a

shared responsibility between the POS Project Manager and NWSA Business Sponsor.

All documentation presented to Managing Members will be completed by the POS Project Manager and reviewed as needed by the NWSA Executive Team, NWSA Business Sponsor, NWSA Staff, and POS Project Team Managers to ensure compliance with NWSA policies and procedures. Presentation to the Managing Members will be co-presented by the POS Project Manager and NWSA Business Sponsor.

b. Split-Funding Projects

Split-funded Projects are those that have both a NWSA and a Homeport-only cost component and may deviate from the default cost sharing defined by the NWSA Charter. Split-funded Projects can be addressed in several ways. In order of preference:

- i. Where assets and construction can be easily separated, use separate Project numbers following the normal processes for all organizations.
- ii. NWSA Project and Unequal Capital Contributions to the NWSA (if primarily a NWSA Project):
 - a. The NWSA Charter allows for Managing Members to approve, by vote, contributions to capital construction in amounts other than based on each Managing Members' pro rata respective Membership Interest on a Project specific basis.
 - b. To ensure compliance with the NWSA Master Policy and Delegation of Authority, these Projects will be presented at Managing Members meetings and may have dual actions (one vote for unequal capital contribution) with Managing Members and Homeport Commissioner actions.
 - c. For efficient project delivery, Split-funded Projects will be authorized and set up to an NWSA cost center as one work project (or program). During the Project, or at Project close-out as agreed to by the two accounting organizations, the Homeport-only cost component will be reconciled to adjust the final cost sharing percentage between the NWSA and Homeport.
- iii. Homeport Project with NWSA contribution (if primarily a Homeport Project):

- a. Managing member authorization to contribute to Homeport Project and Homeport authorization of the full Project cost.
- iv. Homeport or NWSA Project with split asset:
 - a. Managing Member authorization of Project and Homeport authorization to take share of cost.

SECTION 6. CONTRACT PROCUREMENT & MANAGEMENT

a. Acquisition Planning

Acquisition Planning (AP) is an element of the Project Notebook and is mandated by POS Central Procurement Office policies and procedures. The goal of the AP process is to build clear alignment around the strategic decisions that must be made for each procurement. NWSA Staff, including and not limited to the Sr. Director of Engineering and NWSA Business Sponsor, shall attend AP meetings and provide input and feedback as part of the decision-making process. The decision on the use of in-house vs. external resources is a component of the AP meeting.

The Parties agree that the decisions made by the AP Team is a joint decision with shared risks. Should the Parties disagree, the NWSA Business Sponsor or NWSA Sr. Director of Engineering will escalate to the NWSA Executive Sponsor for a final decision. Per the NWSA Charter, the final decision rests with the NWSA.

b. Alternative Delivery Decision

The delivery method decision for any Project is one of the key documented outputs from the AP process. The process to select the appropriate delivery method for a given Project starts with the POS Project Manager completing the Project Delivery Method Recommendation Form that helps to inform the applicable project delivery methods through a series of questions relevant to the Project requirements.

- i. For NWSA Projects, the POS Project Manager will include the NWSA Sr. Director of Engineering (or delegate) in forming the Project delivery method recommendation along with POS subject matter experts across Engineering Design, Construction Management, Central Procurement Office, and Environmental.
- ii. Any decision to pursue the use of an alternative delivery method on a NWSA Project will be finalized in the AP review meeting and authorized by Managing Members in accordance with the NWSA Master Policy.

c. Project Labor Agreement

The Project Labor Agreement (PLA) determination for Projects located on POS property will be administered in accordance with the POS Commission Policy Directive on Construction Labor Practices. The POS Project Manager will draft a PLA Criteria Form and schedule a meeting with the POS Construction Manager, POS Construction Labor Manager, and POS Director of Diversity in Contracting, and the NWSA Business Sponsor or Sr. Director of Engineering (or delegate) to finalize the form and recommendation. Review and acceptance of the recommendation will be signed by the POS Chief Engineer and the POS Sr. Director of Labor Relations. Final approval of the PLA will be signed by the POS Executive Office.

d. Non-Discretionary and Discretionary Changes

Non-Discretionary and Discretionary changes may arise on a NWSA Project during the management of a major construction contract.

- i. For Non-Discretionary changes, the POS Project Team will provide approval as Project contingencies allow, staying below the Project authorization amount.
- ii. For Discretionary changes, the NWSA Sr. Director of Engineering will provide approval as Project contingencies allow, staying below the Project authorization amount.
- iii. For changes that exceed the Project authorization amount, the POS Project Manager will follow Section 4b (Project Amendments & Decision Logs) above.
- iv. For both Non-Discretionary and Discretionary changes, the NWSA Sr. Director of Engineering will be notified by the POS Project Team for change amounts of \$200,000 and above.

SECTION 7. TENANT COMMUNICATION

NWSA Business Sponsor will be the point of communication with NWSA Tenants. POS Project Team shall coordinate with the NWSA Business Sponsor (or delegate) for any required or requested communication with Tenants relating to the Project. The NWSA Business Sponsor (or delegate) shall be included on any written communication with Tenants. This coordination includes, but is not limited to, site visit requests, meeting requests, information requests, design progress reviews, and construction bid site walks. At the discretion of the NWSA Business Sponsor (or delegate), the POS Project Team may contact Tenant directly and copy the NWSA Business Sponsor.

The POS Project Team shall provide a copy of all operation and maintenance materials to the NWSA Business Sponsor for the Tenant's use. At the discretion of the NWSA Business Sponsor (or delegate), the information may be provided directly to the Tenant with the NWSA Business Sponsor on copy. The NWSA Business Sponsor shall be responsible for ensuring Tenants are aware of all operation and maintenance responsibilities and requirements.

The NWSA Business Sponsor is responsible for alerting POS Project Team of any Tenant-proposed Projects, per any requirements in lease terms. Projects that affect the Homeport's base infrastructure, utilities, or any safety measures will be provided to the POS Project Team for, at minimum, a courtesy review or other reviews specified in the lease. At a minimum, comments related to regulatory compliance will be addressed. Final permits, project drawings and specifications will be provided through the NWSA to the POS for record-keeping on facility infrastructure.

SECTION 8. ADMENDMENT, PRIOR AGREEMENTS AND NOTIFICATIONS

Either Party may request changes to the provisions contained in this MOU. Any changes to this MOU must be mutually agreed to by both Parties in writing. The Parties have executed Charter documents and amendments and execute annual Service Level Agreements. Nothing herein is designed to supersede Charter, Charter amendments, or Service Level Agreement provisions. Formal notice provisions of those documents will apply.

SECTION 9. JOINT DRAFTING EFFORT

This MOU shall be considered for all purposes as prepared by the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU which shall be effective upon the date of recording.

PORT OF SEATTLE

THE NORTHWEST SEAPORT ALLIANCE

Stephen P. Metruck, Executive Director

John Wolfe, Chief Executive Officer

Date: _____

Date: _____

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 2027.

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 as well as NWSA Mitigation Parks, which includes:

(1) Terminals

- (a) Terminal 5
- (b) Terminal 10
- (c) Terminal 18
- (d) Terminal 25
- (e) Terminal 30
- (f) Terminal 46
- (g) Terminal 103
- (h) Terminal 104
- (i) Terminal 105
- (j) Terminal 106
- (k) Terminal 107
- (l) Terminal 108
- (m) Terminal 115

(2) Mitigation Parks

- (a) Jack Block Park
- (b) Jack Perry Park

- (c) SW Spokane Noise Wall
 - (d) Harbor Ave Berm
 - (e) Turning Basin 3
 - (f) 8th Ave South Park
 - (g) Terminal 18 Park
 - (h) Terminal 105 Park
 - (i) Terminal 107 Park
- 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	2027 Budgeted Amount ²
Police Dept# 4300	3.a	Special	Total hours split between time spent for AV or Seaport units from the Police scheduling system. Seaport calls/services are then categorized by either Maritime or NWSA properties from data provided by Police CAD system from July 2024 through June 2025.	5.96%	\$2,940,845

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 Intervention	Time Based	Contact and referral to City	Within 24 hours

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 – Don Esterbrook
- b) POS – Michael Villa, Sean Gillebo

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 – 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 2027.

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 2027.

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.

**EXHIBIT POS – 7B - Service Directive:
Security 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	2027 Budgeted Amount ²
Contract Security Services (Maritime Security) Dept# 6910	3.a	Direct Charges	Budget/Actual expenditures for contract security at NWSA-licensed properties (T30, T46).		\$1,334,488
	3.a	Special	Variable Driven Charge allocation for department expense	29.15%	\$518,948
Dept# 6910	3.b	Special (passthrough 6114)	Security for NWSA Mitigation Parks	100%	\$78,319

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

- a) Contract security guard services at Terminals 30 and 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.

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

- 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.

DRAFT

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.

EXHIBIT POS - 08

Service Directive for Marine Maintenance and Waterfront Facilities 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 2027.

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

a) Waterfront Facilities

- i) The NWSA will contract with Waterfront Facilities to manage maintenance services performed by Marine Maintenance and provide facility and infrastructure asset management support at NWSA license properties in King County.
- ii) Other to be determined.

b) Marine Maintenance: 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	2027 Budgeted Amount ²
Waterfront Facilities Dept# 6251	3.a	Project Charge / Direct Charge (no project number)	Manage maintenance services performed by Marine Maintenance. Provide facility and infrastructure asset management support	Time and materials	\$202,570
Waterfront Facilities Dept# 6251	3.a	Special	Based on support services and activities provided by staff to each operating division and NWSA.	5.17%	\$116,713
Marine Maintenance Dept# 6280	3.a	Project Charges	Project and other work as budgeted in 2027 Operating Budget. Actual charges will be for actual projects and work performed.		\$1,813,956
	3.a	Special	To be based on historical 5Y proportion of actual spending of work performed for NWSA, Maritime, Stormwater, and Economic Development Divisions.	13.22%	\$3,642,761

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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

NWSA Mitigation Parks Dept# 6114	3.a	Special	Project and other work as budgeted in 2027 Operating Budget. Actual charges will be for actual projects and work performed.		
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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 – 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 – Jim Vo (NWSA Real Estate)

b) POS – Shannon Zink (Facilities) and Presley Morrissey (Marine Maintenance)

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 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 2027.

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.

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	2027 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.	2.32%	\$16,087
Central Procurement Office Dept# 9205	3.a	Standard	Charge based on the standard allocation.	2.32%	\$182,022

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

The NWSA may use South Harbor procurement and contract capability if the NWSA requires work (as defined in Exhibit POS-06) to be managed by the NWSA, subject to the following:

- a) The contract value, including option years, must not exceed \$1,000,000 for North harbor specific work.
- b) This does not apply to projects managed by POS 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.

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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
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.	Meet mutually agreed upon schedule 80% of the time.
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 Contracts		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.

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 – 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.

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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 the calendar year 2027.

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**

- 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	2027 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	

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.

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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
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

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 – 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.

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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 the calendar year 2027.

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.

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	2027 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.	4.35%	\$81,972

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.

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Teresa Cook / Susie Archuleta

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 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 2027.

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.

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**EXHIBIT POS - 12 - Service Directive:
Environmental Services & Planning Support Services**

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	2027 Budgeted Amount ²
Maritime Environmental Services Dept# 1350	3	Fixed Amount	Percentage of committed amount		\$112,000
	3	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		
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	

**** 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 be 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 2027 and going forward, NWSA will provide a fixed amount to POS of \$112,000 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

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.

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 2027 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 and planning 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
- 2027 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 spent on POS 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 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	2027 Budgeted Amount
<u>Environmental</u>	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 appraised 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, Aletia Alvarez)

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.

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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 2027.

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	2027 Budgeted Amount ²
Labor Relations Dept# 1810	3.a		Support for NWSA has been discontinued for 2027.		

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 Amounts may include charges to other subclasses that allocate to NWSA. 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.

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 the calendar year 2027.

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	2027 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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

6) Primary Contacts:

a) NWSA – David Morrison

b) POS – Chris Wimsatt

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 - 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 2027.

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

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 licensed property. From 2022 through the year ahead, the POS has received funds from the City of Seattle relating to a Memorandum of Understanding (MOU) between POS and the City of Seattle for the East Marginal Way Corridor Project. The MOU established a payment amount of \$290,600 that the City paid for TCEs in 2022 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. Permanent easements will be addressed separately by the parties.

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

a) None.

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.

<i>Service Area and Department</i>	<i>Service Item (from list above)</i>	<i>Method of Charges¹</i>	<i>Basis for Charge</i>	<i>Hourly Rate, Fixed Percentage or Formula</i>	<i>2027 Budgeted Amount²</i>
Real Estate	5	Project	<i>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.</i>	<i>100% of actual amount received for use of NWSA-licensed property</i>	<i>Any associated amounts in the event TCEs are paid directly to POS for use of NWSA licensed-property.</i>

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.*
- c) Performance Measures and Metrics:

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.

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.

8) Primary Contacts:

- a) NWSA – Erin Light
- 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

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

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 2027.

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

- a) Facility costs for Customs and Border Patrol in the North Harbor/Port of Seattle.

**EXHIBIT POS - 18 - Service Directive:
Customs and Border Patrol Facility Costs**

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 & Dept	2027 Budgeted Amount ²
North Harbor Customs and Border Patrol facility costs Dept# 5744	3.a	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	\$91,895

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	2027 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 2027

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 Amounts may include charges to other subclasses that allocate to NWSA. Preliminary budget amount – subject to final budget approval.

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 ³	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)

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

**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 2027. This Agreement and attached Service Directive exhibits are effective between January 1, 2027 and December 31, 2027. 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 _____, 2026.

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 2027
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 2027.

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.
 - (1) Grant Accounting compliance requirements with NWSA accounting in accordance with Uniform Guidance .
 - (2) Manage grant accounting audit and reporting.
- vii) Compliance Services
 - (1) Provide guidance on compliance with policies and procedures and state statutes.

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:

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

(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:

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	2027 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.	68%	\$2,814,431
Finance	3.b	Incl above	Incl above	Incl above	

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**

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.
- 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	2027 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

7) Service Level Expectations:

- a) Before January 1, 2027, 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.

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.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

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	1. Revenue recognized (invoiced/ accrued) in proper periods 2. Collection procedures consistently applied to past due accounts.	1. 100% 2. 100%
Accounting – Accounts Payable, Payroll	Management	1. Public works contracts paid within statutory period. 2. Open payables over 60 days 3. Rec'd not invoiced report reconciled weekly 4. Payroll checks, tax and benefit deductions and third party payments are accurate and timely processed.	1. 100% 2. \$0 3. Resolved within 1 month
Accounting – Projects	Accuracy	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.	
Accounting - General	Time Based	1. Monthly Fin'l package (Jan. – Nov.) – distribution date. 2. Annual (Dec.) audited financial statements avail.	1. 13th bus day 2. April 30th

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**

		3.	1.
Accounting – Grants	Accuracy	1. Audit Findings	2. None
Finance – Budget	Time Based	1. Support completed budget by agreed upon date	1. (date updated annually)
		1.	1.
Treasury - Banking	Management	1. Number of major banking errors, to include overdrafts and late payment release resulting in fees 2. Maintain cash levels consistent with banking guidelines	1. 0 errors 2. Maintain cash levels to minimize fees
Treasury – Investments	Management	1. Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order.	1. Maximize investment subject to prudent investing.

8) Primary Contacts:

- a) NWSA – David Morrison
- b) 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.

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 2027.

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, for NWSA and all POT employees providing support services to the NWSA.

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

Included in the POT to NWSA Finance 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 2027.

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	2027 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.

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	- Initial acknowledgment of Public Records Request sent to requester - Initial response due date communicated to requester within 5 days	- 5 working days - 100%
Records	Time Based	- Fulfill state JLARC annual Public Records Response reporting due July 1	- 100%
Records	Management	- 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	- 100% - 100%
Records	Accuracy	- All responsive records are identified, gathered and delivered pursuant to the request	- 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.

DRAFT

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 the calendar year 2027.

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 Port of Tacoma facilities.
- 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.

- 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.
- xii) Provide support for video surveillance systems, including but not limited to camera system administration; camera deployment, replacement, and maintenance; video recording and retention infrastructure; monitoring and troubleshooting; integration with network and security systems; support vendor selection and management; lifecycle management; system documentation; and technical support for NWSA-operated facilities and locations.

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	2027 Budgeted Amount ²
Information Technology Dept #70	3.a	Fixed percentage		63%	\$9,541,767

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.

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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) 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%
Microsoft Dynamics 365 F&O	Other	IT Service Availability	99.90%
Microsoft Dynamics 365 Sales (CRM)	Other	IT Service Availability	99.90%
Bellerophon	Other	IT Service Availability	99.90%

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 – 03 - Service Directive:
Information Technology Support Services**

Tideworks iPro	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%

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Martyn Adamson

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 – 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 the calendar year 2027.

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	2027 Budgeted Amount ²
Gov't Affairs Dept # 86	3.a,b	Fixed Percentage Allocation of actual expenses.		10%	\$184,975

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.

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 the calendar year 2027.

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, All-Hands mtgs, events, and other notifications.)
- b) Support functions for the NWSA website, including 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; collaborating/advising on web strategy and Drupal best practices; assisting with testing, troubleshooting and repairing issues with integrated software platforms (GovDelivery, Power BI, Swifttype).

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	2027 Budgeted Amount ²
Communications Dept #88	3 a, b			Fixed	\$15,000

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 2027.

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.

DRAFT

-
- 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 the calendar year 2027.

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 anticipates discussion/negotiates with the NWSA extending through 2027 to work toward a mutual understanding/resolution of steps to be taken to solve the street vacation issue with the City or work towards a reduction of the fees associated with the current ROCC permit. POT's Real Estate Department will continue to work on the street vacation with the City of Tacoma, and this will include consultation with outside counsel, and 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. The POT may be expected to address relocation or limited use of this water main line.

- c) **Milwaukee Street Vacation:** Since the City-Port ILA was executed in 1994, the Port has made multiple efforts to vacate Milwaukee Way; however, the vacation remains impractical due to extensive utility easements that significantly limit its value and make completion costly. Port staff recommends deferring further action until the Legislature resolves whether unlicensed hostlers may cross public streets for Port-related operations within a two-mile radius. Until that issue is resolved, the vacation offers limited benefit while exposing the Port to additional liability, infrastructure costs, and renewed regulatory review. In 2027, the Port will continue to work with counsel and the City of Tacoma to seek resolution on this issue.

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	2027 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

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.

					\$60,000 for completed vacation submittal
	3.c	Fee for Service	Fee for Services/Variable		Time and materials

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:

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	

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 – Jim Vo, Senior Director, Real Estate , 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.

DRAFT

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 the calendar year 2027.

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 may provide The NWSA with project delivery for NWSA projects in Pierce County. Services for projects start from the initial phase of budget planning and 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. 2027

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 actual project expenses.

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

Service Area and Department #50 (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2027 Budgeted Amount ²
Project Delivery, Administration, Construction Inspection Services Dept #50	3.a,b	Project Charges	Expense and Capital Projects & Direct Charges	Hourly Rate Schedule \$239.68	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.

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.

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	2027 Budgeted Amount ⁴

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 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.

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.

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 – Eric Johnson

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

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 - 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 2027.

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 Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2027 Budgeted Amount ²
Security Dept # 40	3.a	Fee for Service	Direct hourly Charge per Officer by classification:	\$123.24/hr	\$1,574,676
Security Dept # 40	3.a,b,c	Fixed percentage	Percentage of POT department budget based on NWSA licensed property	40%	\$2,254,193

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
- c) Focus on physical security ensuring compliance with the Port of Tacoma Security Facility Plan as mandated by MTSA and CFR 33 Part 105.

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

- 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 Consistent Reporting to MARAD and DOD

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

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 2027.

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. Equipment maintenance will provide fleet vehicles to NWSA staff. Assigned fleet vehicles will have their maintenance costs coded to the assigned department.

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	2027 Budgeted Amount ²
Equipment Dept # 54	3.a	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$221/hr 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 \$198/hr 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.

6) Cost for Service and Charge Methodology – 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.

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.

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

**EXHIBIT POT - 09 - Service Directive:
Equipment and Facilities Maintenance Support Services**

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 • 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.

-
- 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 - 10

Service Directive for Contracts and Purchasing 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 2027.

3) Scope of Services to be provided by POT to The NWSA in the South Harbor

- a) Procurement of Public Works, Consulting Services (Personal and Professional), the Purchase of Goods and Purchased Services, and grant administration.
 - i) The NWSA Chief Executive Officer delegates authority to Port of Tacoma's Director, Contracts and Purchasing to execute contracts, change orders, and task orders, on behalf of and as an agent for NWSA for NWSA contracts managed by Port of Tacoma staff. The NWSA Delegation of Authority Master Policy applies to all NWSA contracts and projects, including any NWSA contract managed by Port of Tacoma staff.
- b) Port of Tacoma Director, Contracts and Purchasing may procure, execute and amend contracts for NWSA in both harbors excluding projects managed by Port of Seattle staff.
- c) The NWSA may use North Harbor procurement capability for South Harbor procurements if the needs of the NWSA requires work to be managed by the NWSA. This does not include any procurement for projects managed by POT staff.

**EXHIBIT POT - 10 - Service Directive:
Contracts and Purchasing Support Services**

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	2027 Budgeted Amount ²
Contracts Dept# 74	3.a	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	50% of actual spending	\$810,416
Purchasing Dept# 74	3.a	Incl Above	Incl Above	Incl Above	Incl Above
Grant Administration Dept# 74	3.a	Incl Above	Incl Above	Incl Above	Incl Above

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

- a) None.

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

- a) None.

6) Service Level Expectations:

- a) Procurement timelines will be mutually developed and managed. The customer will be informed of any changes.
- b) Administration of contracts will be in compliance with POT policies and procedures as well as with federal, state and local requirements.
- c) 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.

**EXHIBIT POT - 10 - Service Directive:
Contracts and Purchasing Support Services**

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	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	<i>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.</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>
Services (includes Professional, Personal, and Purchased services as well as the purchase of goods)	<i>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.</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>
Public Works Contracts	<i>Provide Public Works contracts based on a mutually agreed schedule. Construction will remain the responsibility of the Home Port unless work is managed by NWSA Project Manager.</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>

7) Primary Contacts:

- a) NWSA – David Morrison

b) POT –Sharon Rothwell

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 – 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 2027.

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.

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% for Records Program Manager, 20% of Records Specialist, 20% for Records Assistant, and 50% of Capital Budget Analyst, salary and fringe costs based on historical analysis of work activities.

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	2027 Budgeted Amount ²
NWSA Executive Mgmt Dept # 62	5.a-b	Fixed Percentage	Historical work time to support scope of work.	Percentage of salary and fringe for identified individuals	Insignificant for 2027
POT Executive Department Dept# 62	3. a-b	Fixed Percentage	Historical work time to support scope of work.	Percentage of salary and fringe for identified individuals	Insignificant for 2027
				Net resulting in a fixed fee charge as calculated	Insignificant for 2027

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.

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.

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
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 receipt 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 2027.

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	2027 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	TBD

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, 2027**

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 2027.

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

a) Administration Office

- i) POT will provide office, conference room 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. The HVAC system is included “as is”. Any repairs will be the responsibility of the NWSA. Other maintenance will be POT responsibility.

(1) NWSA responsible for office supplies and postage meter

- ii) POT will provide motor pool for NWSA staff, , including terminal and intermodal yard operations but excluding maintenance and security.

- iii) POT will not provide front desk staff for visitor check in / check out, mail processing, etc. NWSA will be fully responsible for mail service and visitor management.

- b) Port Maritime Center – This will begin after the new building is completed and staff have moved in, which is expected in March 2027

- i) POT will provide office, conference room and common area space at 1220 Maritime Center Drive for NWSA staff not located at the Sitcum office.
- ii) POT will provide fully serviced commission chambers, conference room and common area space at 1220 Maritime Center Drive for Managing Member meetings.
- c) Fabulich Building / Port Maritime Center (or alternative facilities for MM Meetings)
 - i) POT will provide fully serviced commission chambers, conference room and common area space at 3600 Port of Tacoma Rd / Port Maritime Center for Managing Member meetings.
- d) Portwide Infrastructure
 - i) POT will maintain infrastructure – including roads, entrances, exits, and 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	2027 Budgeted Amount ²
Sitcum Office Dept 90	3.a.i	Fixed sq ft rate	Department Headcount Allocation including depreciation.	Fixed amount	\$1,031,116

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.

Portwide Infrastructure Dept 30	3.d.i	Fixed Percentage of costs <u>excluding</u> <u>depreciation</u>		75%	\$868,855

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.
- b) Infrastructure – common areas, entrances, exits, roads are 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
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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

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.

DRAFT

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 2027.

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
- iv) Work closely with benefits broker to insure cost competitive rates with vendors.
- v) Excluded from this agreement is any NWSA specific employee engagement programs and funding.

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	2027 Budgeted Amount ²
Human Resources Dept# 76	3.a-b	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	63% of actual spending. Based on existing methodology adjusted for HC changes	\$1,041,464

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.

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.

- c) NWSA recruitments are conducted in a timely manner and take into account any NWSA-specific priorities and policies.

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 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

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

			regulations and policies
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8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Vanessa Audett

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 2027.

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	2027 Budgeted Amount ²
Environmental Project/Program/Initiative/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 \$245.40/hr	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	2027 Budgeted Amount
Planning Programs Dept# 80	5.a.ii	Fixed	Percentage of NWSA department costs based on analysis of work activities	36% of actual spending	\$539,428
Air, Water Quality Environmental Project/Program/initiative Support	5.a.i	Project Charges	Project-Specific Agreements	Hourly Rate \$245.40/hr	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.

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 2027.

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

**EXHIBIT POT - 16 - Service Directive:
Marketing and Business 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 or Formula & Dept	2027 Budgeted Amount ²
<u>Marketing & Business Support</u> Dept #82	3.a-d	Fixed Amount	Negotiated amount	Fixed Fee	\$131,018

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 Measure ³	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, Chief Commercial & Strategy Officer
- b) POT – Eric Johnson, Executive Director

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.

Changes made and emailed EJ on 8/29/25. Changes made in accordance with the email Tong sent to EJ and Alisia dated Sept. 5th and 23. Alisa confirmed the amount and scope based on the email.

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 2027.

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	2027 Budgeted Amount ²
<u>Customer Service Dept 16</u>	3.a	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	100% of actual spending	\$1,904,508

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

a) None.

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

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.

EXHIBIT POT - 18

**Service Directive for AUTO Business Development and Management 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 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 the calendar year 2027.

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, including hosting, travel.
- b) (this is included in the marketing & business services agreement). Monthly highlights (4-5 bullet points) EXCEPT the month of January, April, August, and December 2027 when the quarterly meetings will be held to include accounts receivable.
- c) Quarterly Reporting (by auto group and as combined) of the following: revenues, expenses, and net income, along with variances (in dollars and by percentages) from projections and from prior year performance. The reporting is summarized on the quarterly reporting template and emailed each quarter to the POT Executive Team and Real Estate Director.

**EXHIBIT POT - 18 - Service Directive:
Auto LOB Management and Business Development Support Services**

- d) Revised revenue forecast and notes of any anticipated changes in the industry and/or competition

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	2027 Budgeted Amount
Non Container Dept# 14	5.a	Fixed Amount	Percentage of budget based on analysis of work activities	Fixed Fee	\$157,889

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
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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

EXHIBIT POT - 18 - Service Directive:
Auto LOB Management and Business Development Support Services

Revenue management	Management	Monitor auto volumes to ensure that minimum payment is accurately identified and invoices	Estimated \$2.9 million revenue
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8) Primary Contacts

- a) NWSA – Tong Zhu, Chief Commercial & Strategy Officer
- b) POT – Eric Johnson, Executive 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 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.

Changes suggested and emailed EJ for his review 8/29/25

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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 - 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 2027.

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	2027 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	2027 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.

- 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>	- Days to complete monthly close - Days to complete quarterly close	- X days - X days
Example - Finance	<i>Time Based</i>	Meet budget deadlines: - Complete Prelim Budget Document - Present Prelim Budget in Study Session - Present Final Budget to MM	10/2/2027 10/30/2027 11/13/2027
Example - Treasury	<i>Management</i>	Maintain Cash on Hand consistent with policy	(input calculation here)
Example - Payroll	<i>Accuracy</i>	- # payments requiring manual intervention - Number of out of cycle payments	____ pmts ____ pmts
Example – Planning	<i>Time Based</i>	- Days to complete an assigned project	- X days

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.

DRAFT

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 2027

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	2027 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	\$68,050

**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.

DRAFT

**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 the calendar year 2027.

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	2027 Budgeted Amount ²
Real Estate Dept #08	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 the 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.

**INTERLOCAL AGREEMENT FOR INTERGROUP COMMON ISSUES
AMONG AND BETWEEN THE NORTHWEST SEAPORT ALLIANCE
AND THE PORT OF TACOMA AND THE PORT OF SEATTLE**

THIS INTERLOCAL AGREEMENT ("Agreement") is entered into among and between the Northwest Seaport Alliance, a Washington Public Development Authority ("NWSA"), the Port of Tacoma, a Washington Municipal Corporation, and the Port of Seattle, a Washington Municipal Corporation (referred to herein individually as "Party", and collectively as "Parties" or "Intergroup").

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, from time to time, the Parties have occasion to collaborate and work jointly on issues on which they are fully aligned and are able to share costs, and wish to do so under the Interlocal Cooperation Act, RCW 39.34 for the limited scope, duration and cost of activities addressed herein;

WHEREAS, examples of scenarios for which the Parties could utilize this Agreement include where collaboration on procurement would create efficiencies, the Parties are engaged in a joint study, or the Parties seek to participate in a community or industry group such as Maritime Blue or Quiet Sound;

WHEREAS, the purpose of this Agreement is to allow for relatively low-cost, inter-group agreements ("IGAs") between either or both Homeports and the NWSA when the entities are aligned and acting jointly without further Managing Member or Homeport commission vote; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW to enter into this Interlocal Agreement.

NOW THEREFORE, the Parties agree as follows:

1) Authorized Scope:

NWSA and Homeport staff may negotiate and enter into IGAs for joint efforts using the authorization provided for in this Agreement without the need for further Commission or Managing Member action provided all of the following are met: a) the total cost of the IGA is less than the lowest delegated amount to the leader of any of the three entities; b) the entities seek to embark on a joint effort where interests are aligned; c) the CEO or Executive Director(s) of all three entities are provided a draft of the IGA by the leading agency staff member five days prior to finalizing the agreement; d) the approved IGA references this Agreement and is filed with the

NWSA Clerk; and e) the IGA is posted on the participating Parties' websites. This Agreement does not authorize real estate transactions between the Parties.

- 2) Allocation of Expenses. The method of allocating expense and the process for payment of costs associated with IGAs will be determined by staff and captured in the IGA.
- 3) Duration of this Agreement. This Agreement is effective January 1, 2027 through December 31, 2027.
- 4) Communications. Each IGA shall identify the contact people for the Parties that will coordinate the work for each IGA. It is expected that the identified contact people will communicate frequently to coordinate the work, to confirm that interests remain aligned, and otherwise manage the IGA.
- 5) Employment, Policies and Procedures. During the term of this Agreement, individuals providing services hereunder or in connection with IGA(s) executed pursuant to this Agreement 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 will follow the policies and procedures of their respective employer in conducting any work hereunder.
- 6) Billing Rate and Procedures. Shared costs and charges will be determined during the budget cycle for the coming fiscal year. Based on the specific IGA, 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.
- 7) 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.
- 8) Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.
- 9) 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.
- 10) Recording. Copies of this Agreement shall be posted to the web sites of the Parties.
- 11) 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.

12) Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph 13 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 IGA Leads shall review the matter and use their best efforts to resolve it. If the IGA Leads 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 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.

13) 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

Port of Seattle:

Chris Wimsatt, Chief Financial Officer
PO Box 1209
Seattle, WA 98111
winsatt.c@portseattle.org

Port of Tacoma:

Erin Galeno, Chief Financial and Administrative Officer
PO Box 1837
Tacoma, WA 98401
egaleno@portoftacoma.com

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.

14) 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.

15) 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.

16) 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.

17) Entire Agreement/Amendment

This Agreement, together with any documents attached or incorporated by reference shall constitute the entire agreement between the Parties with respect to the IGAs hereunder 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 _____, 2026.

Northwest Seaport Alliance

Port of Seattle

John Wolfe
Chief Executive Officer

Date: _____

Stephen Metruck
Executive Director

Date: _____

Port of Tacoma

Eric Johnson
Executive Director

Date: _____