THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 10B
Meeting Date: October 30, 2026

DATE: October 19, 2026

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Jeff Bellerud, Chief Operations Officer
Project Manager: Elly Bulega, Project Manager II

SUBJECT: Tideflats Arrival and Departure (A&D) Tracks Extension Project Authorization

A. ACTION REQUESTED

Project authorization in the amount of $300,000 for a total authorized amount of $300,000 to solicit a design and planning consultant for work associated with the Tideflats Arrival and Departure (A&D) Tracks Extension, Project ID No. 202085.

B. SYNOPSIS

Driven by increasing cargo volumes, terminal operational changes, Husky and Washington United Terminal (WUT) expansions, and demand from Union Pacific (UP) and Burlington Northen Santa Fe (BNSF) to run longer trains, The Northwest Seaport Alliance (NWSA) must invest in extending the existing A&D Tracks to preserve long-term freight rail capacity, support future economic development, and accommodate planned cargo growth. This project will increase the NWSA's competitiveness for the discretionary rail business.

The purpose of this request is to authorize staff to issue a Request for Qualifications (RFQ) to select a qualified engineering firm to complete the remaining planning efforts and provide design and future construction support services for the Tideflats A&D Tracks Extension project ("Project"). Staff will return to the Managing Members at a later date to request authorization for full design and construction funding.

The NWSA Charter's Schedule 2 that lists Licensed Properties is not detailed enough to clearly identify if the proposed location of the A&D tracks is included in Licensed Property, though it is likely that the Schedule 2 would be interpreted to extend the Licensed Property to the parcel boundary, which would include the A&D tracks.

The tracks have historically been treated as being located outside of Licensed Property since the formation of the NWSA, and staff will be evaluating and making recommendations to the Managing Members regarding whether Schedule 2 to the Charter should be amended. The NWSA Charter at Section 3.3 specifies that the Managing Members may vote to authorize and instruct the NWSA to "acquire or construct improvements to terminals, other improvements and infrastructure such as cranes or other fixtures on Licensed Properties as necessary to support [NWSA] operations ("Post-Formation Improvements")." Because the A&D track extension is required primarily for NWSA business, the Managing Members are requested to fund the design and ultimately the construction of the A&D tracks extension.

C. BACKGROUND

Port operations are increasingly shaped by intermodal growth and efficiency pressures and port markets are increasingly rail-dependent, with expectations for efficient and reliable service. Rail carriers are prioritizing improving their system efficiency by building longer trains. Where a train use to average approximately 7,000 feet, Union Pacific now has a systemwide average of 9,700ft while BNSF makes efforts to increase their own train lengths as well.

The NWSA's container volumes growth is planned to grow from 3.156 million TEUS in 2025 to approximately 4 million TEUS by 2030, an increase of 27% for both domestic and international container volumes. This forecasted growth is expected to place additional demand on the rail system in the South Harbor.

Forecasted growth in Inland Port Intermodal (IPI) Cargo and continuing growth in automobile imports are expected to significantly increase demand for rail service in the South Harbor. As cargo volumes increase, the existing capacity and operational constraints will also increase. Ensuring that adequate infrastructure exists to support IPI cargo growth is critical to creating the operating environment and rail system capacity necessary to support NWSA's growth targets.

Existing Constraints

The South Harbor terminals are served by Tacoma Rail, a municipally-owned shortline railroad, which conducts most of the rail switches at South Harbor NWSA terminals.

Port of Tacoma (Port) and NWSA staff inquired about the current train operations from Tacoma Rail and learned that the existing arrival and departure tracks are approximately 7,500 feet in length in the Tideflats.

The 7,500-foot length limits train length and operational flexibility, impeding the efficient movement of goods through the port and restricting the ability to handle longer, modern Class 1 freight trains.

Currently, 7,500-ft plus trains can be handled by Tacoma Rail, but doing so results in significant delays and blockages. Trains either need to be doubled over on existing A&D tracks or utilize alternative tracks as temporary A&D tracks to achieve the continuous track lengths needed to build (or disassemble) long trains. One alternative used by Tacoma Rail for handling long trains is to utilize tracks shown in Figure 1. These tracks along Port of Tacoma Rd, Lincoln Ave., and Milwaukee Way form a connected circular section of track called a loop track. However, doing so blocks several NWSA railyards, and halts most other train activity in the South Harbor, and limits the number of trains that can be processed in the Tideflats.

When a 10,000-foot-long train on the existing arrival and departure system is staged, the track system lacks capacity for new incoming trains until the longer train has departed. There is only an 8-hour window to stage and deliver a long train which limits operations to only night shift. If any unforeseen conditions arise and Tacoma Rail won’t have enough time to move the train in that 8-hour window, the operation is suspended until the next night which causes system wide delays.

The same infrastructure issue prevents Tacoma Rail from fluidly receiving Class 1 trains longer than ~7,500 feet. For example, Union Pacific brings a minimum of 9,000-ft plus trains to the region. When it comes to the Tideflats, the train must be broken into smaller sections that the Tideflats tracks can handle. This process adds to expense and reduces efficiency, making the rail cargo in the area uncompetitive.

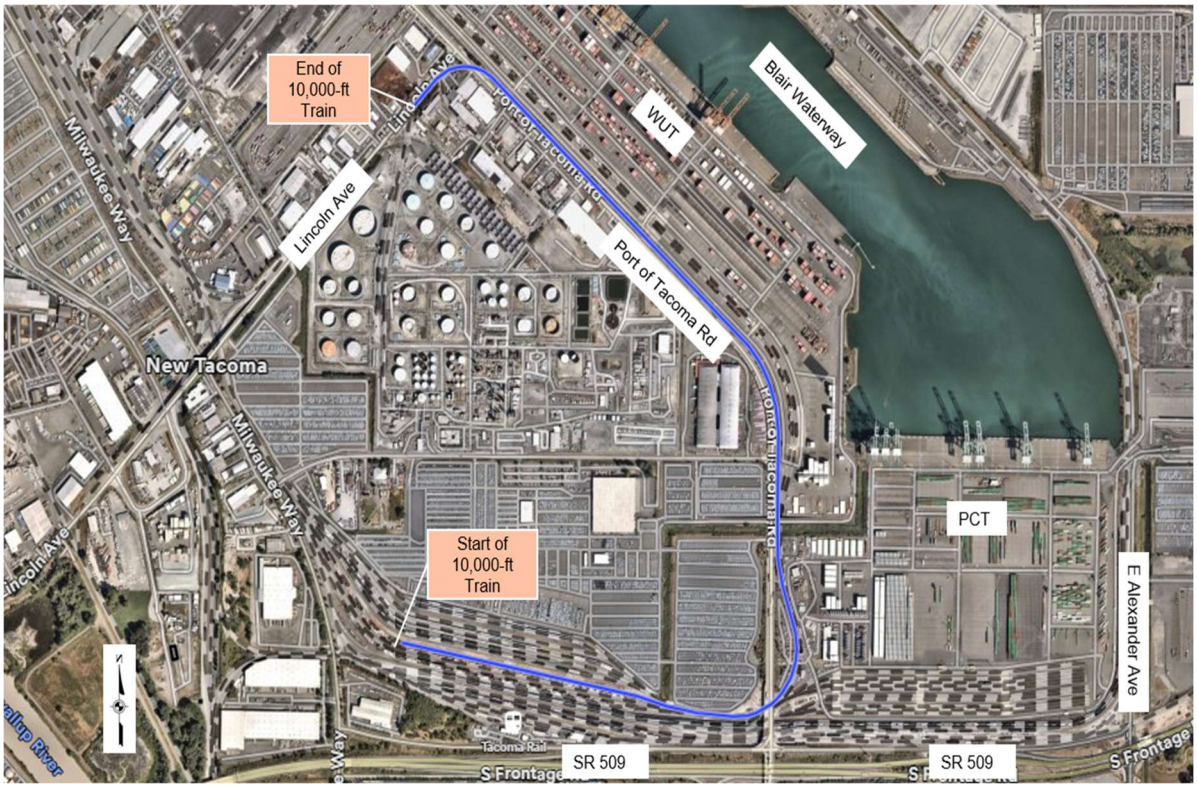
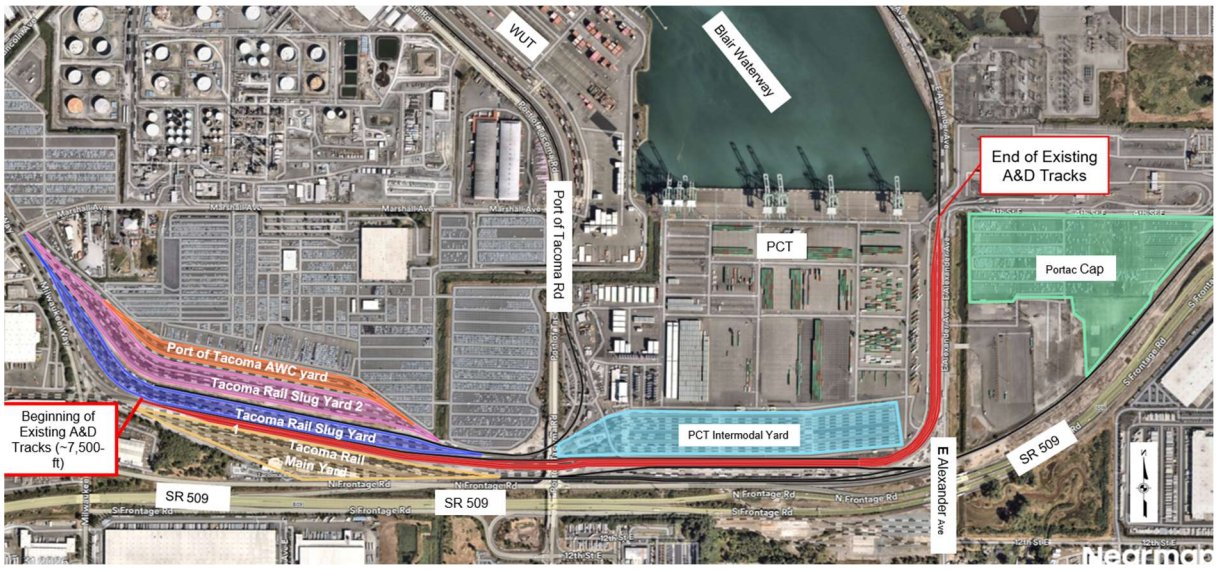


Figure 1: 10,000-foot train loop track in the Tideflats (blue).

Figure 2 shows the current arrival departure track orientation. The tracks curve north and run parallel to Alexander Avenue before terminating near the wharf at PCT. Due to existing terminal expansions, roadway constraints, and adjacent land uses, opportunities to extend the tracks within the current alignment are limited. The only practical option for creating a system capable of accommodating 10,000-foot trains is to extend the existing tracks eastward and realign them to continue along the SR 509 corridor (see Figure 3). *Figure 2: Shows the existing arrival and departure tracks (red).*



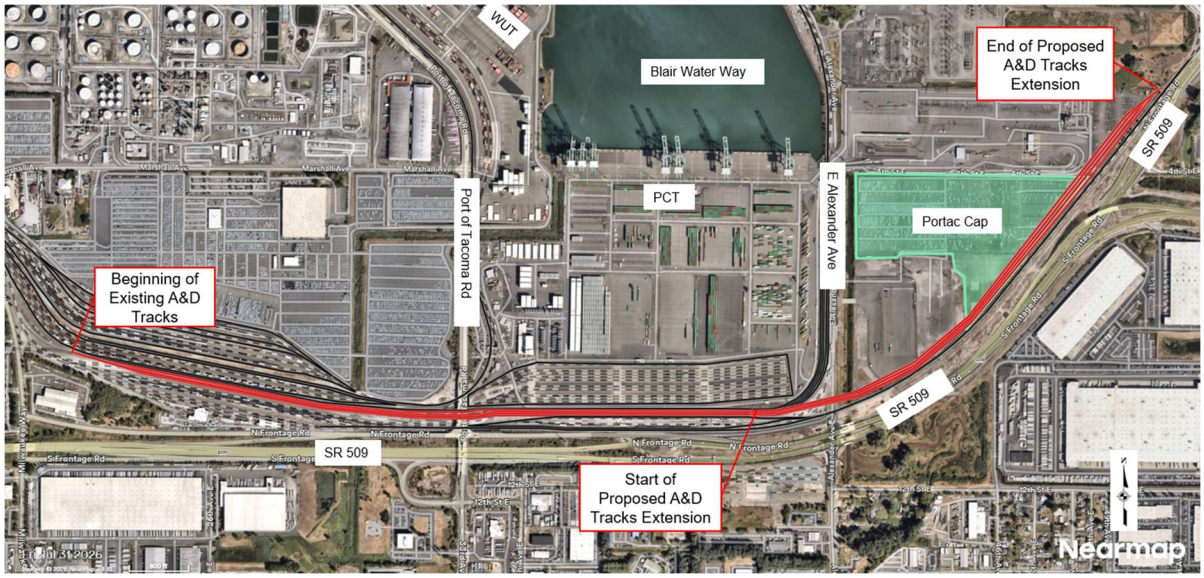


Figure 3: Proposed A&D tracks (red)

Operational Benefits

Reduced Delays on Long Trains: The A&D track extension allows for continuous train movements, improving rail efficiency by reducing the time required to assemble and disassemble long trains.

Reduced Train Dwell Time for All Trains: The proposed Project can reduce train dwell time significantly. This means trains which are ready to arrive at or depart from the Tideflats may have a shorter overall wait to do so. Reducing dwell time along with increased staging capacity for trains outside of on-dock railyards will improve the ability to turnover trains at NWSA terminals.

Competitive Benefits

The average Union Pacific train is just over 9,700’ meaning the existing A&D tracks do not allow for maintenance of average productivity. The Proposed A&D Project will strengthen NWSA’s competitiveness by supporting efficient movement of industry-standard 10,000-foot trains, improving rail productivity, and attracting additional cargo volumes. Without these investments, rail infrastructure could become a bottleneck that limits South Harbor growth, constrains terminal throughput, and reduces the NWSA’s competitiveness as a trade gateway. Extending the A&D tracks is critical to preserving capacity, supporting future economic development, and accommodating planned terminal expansions.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

The overall objective of the A&D track Project is to:

1. Extend five (5) of the existing Arrival and Departure tracks in the Tacoma Tideflats to 10,000 feet

Scope of This Request

At this stage, the scope of work will include:

1. Finish the planning and sequencing plan for implementation of the project.
2. Select a consultant that will help with planning and providing the final design and construction support of the project.
3. Engage key stakeholders and incorporate their input into the final plans.

The overall project scope of work will include:

1. Removal and disposal of portions of the existing tracks
2. Clearing, grubbing, regrading and relocation of utilities
3. Installation of new tracks
4. Installation of through plate girder bridges
5. Re-evaluate Port of Tacoma remedial options of cap reconfiguration versus removal/disposal of existing contaminated soil beneath the planned tracks
6. Remediation /disposal of existing contaminated soil requiring offsite disposal

Schedule

Consultant Selection and Planning

Issue RFQ	Q4 2026
Notice of Award	Q1 2027
Design Fee Proposal Due	Q2 2027
Managing Members for Design Authorization	Q3 2027

Design and construction schedules will be provided during the design and construction stages.

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Estimated Project Budget	Cost to Date	Estimated Remaining Budget
RFQ Solicitation	$300,000	$300,000	$0	$300,000
Pre-Design	$0	$2,000,000	$0	$2,000,000
Design	$0	$3,000,000	$0	$3,000,000
Construction	$0	$87,700,000	$0	$87,700,000
Total	**$300,000**	**$93,000,000**	**$0**	**$93,000,000**

Note: The estimated costs are based on limited information currently available. Estimated costs will be updated as the design progresses. $26 million of the budget is for Parcel 15 Portac remediation area excavations including soil disposal. Per the Charter at Section 3.2(b) (Remediation of Legacy Contamination), the Homeport is responsible for the incrementally higher costs for disposal of contaminated soils during the planning or construction of a NWSA project (as opposed to the cost to dispose clean materials).

Source of Funds

The funds for project will be provided by the Homeports through the standard capital project funding process. The 2026-2031 Capital Investment Plan (CIP) Budget allocates $9.2 million for the design of this Project. Construction costs, expected to be over $10 million, are not in the CIP as we wait for the design to inform the cost.

Financial Impact

The financial impact of the constructed A&D tracks is difficult to specify. The improved A&D tracks will keep the NWSA's intact intermodal capacity more competitive by supporting the use of longer trains but may or may not result in additional intermodal volume. Staff is working to identify grants to offset the construction costs. Project costs will be capitalized and depreciated over time. The estimated depreciation will be provided when additional design details are available.

F. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:
The full extent of required permits will be identified during the design phase.

Remediation:
The Parcel 15 Portac cap reconfiguration is going to be reevaluated to determine remedial options.

Stormwater:
Construction stormwater will be addressed as part of design and managed during project construction.

Air Quality:
Extension of the A&D tracks will improve capacity and operational efficiency of the terminal, which in turn should help in emissions reduction.

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Tideflats Arrival and Departure (A&D) Track Extension Project Authorization

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SEATTLE + TACOMA

Elly Bulega
Engineering Project Manager II

1

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Background

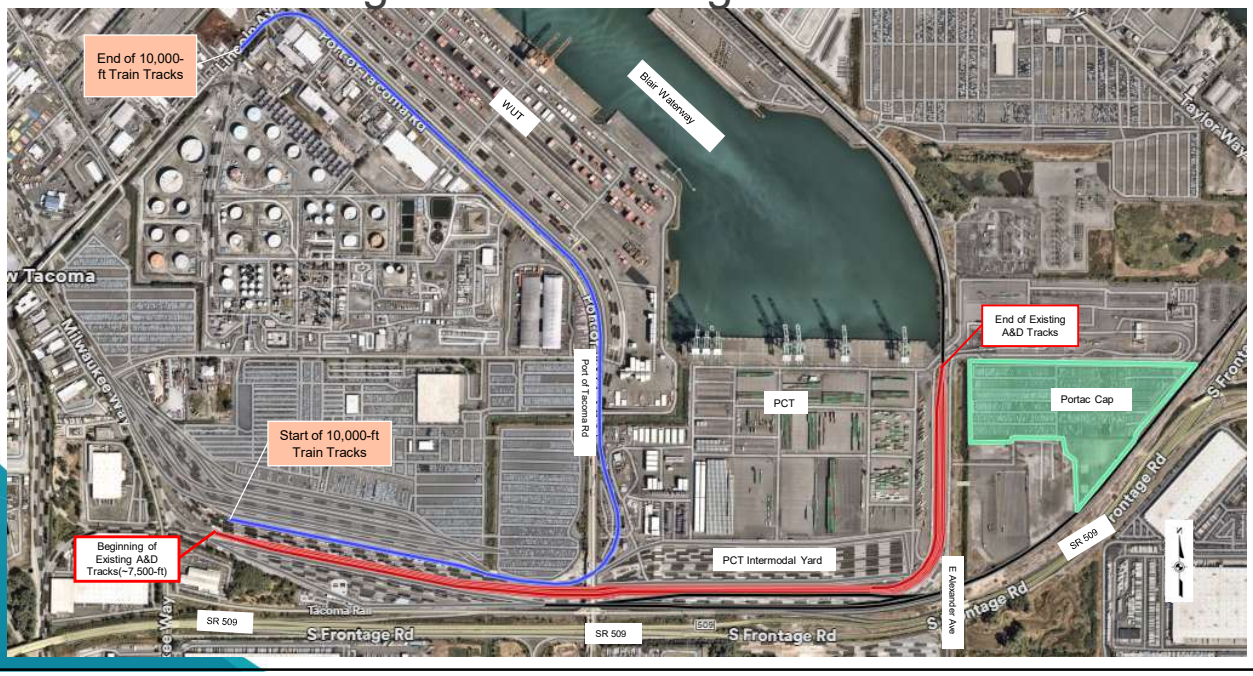
- TEUS planned to grow from 3.156 million TEUS in 2025 to approximately 4 million by 2030
- Husky and WUT expansions
- Forecasted Inland Port Intermodal (IPI) Cargo growth and continuing growth in automobile imports are expected to significantly increase demand for rail service in the South Harbor.
- UP and BNSF demand to run longer trains
- Existing capacity and operational constraints will also increase.
- NWSA must invest in extending the existing A&D Tracks to increase the NWSA's competitiveness for the discretionary rail business.

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3

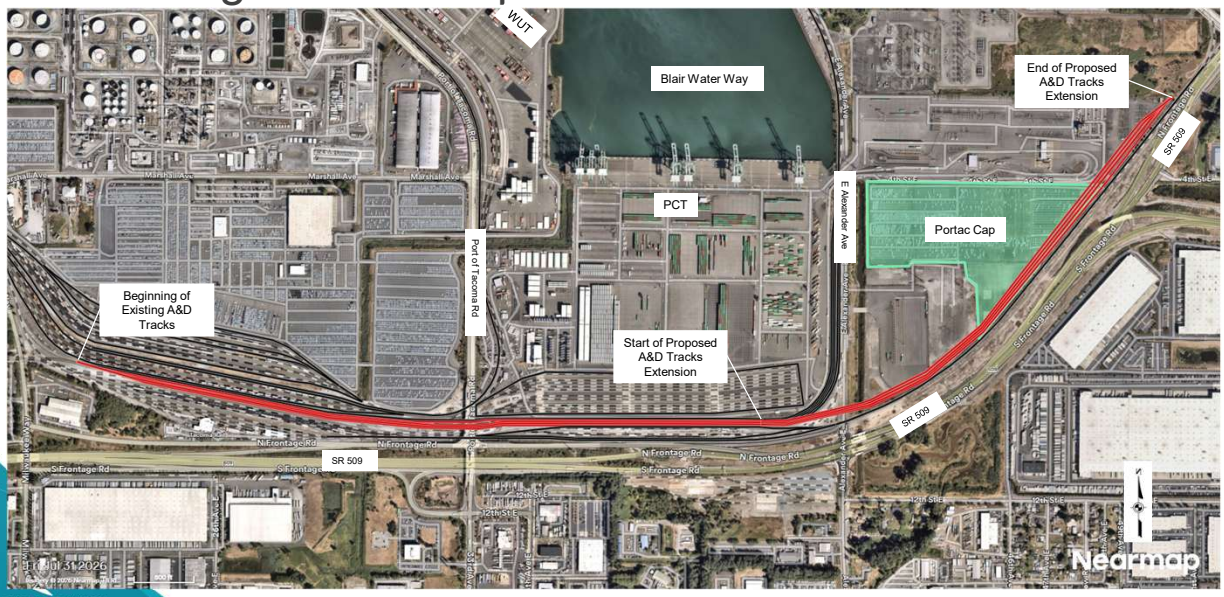
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Background – Existing A&D Tracks



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Background – Proposed A&D Tracks Extension



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5

5

Project Benefits

- Increased physical train staging length.
- Increase average potential cargo per train.
- Increase annual train throughput.
- Reduce delays in servicing long trains.
- Add capacity for on-dock rail cargo growth by providing more efficient Class 1 connections.
- Support rail fluidity in the South Harbor.
- Increase the NWSA's competitiveness for the discretionary rail business.

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6

6

Project Description and Details

Scope of This Request

- Select a consultant that will design the project and also finish the planning for of the project.

The overall project scope

1. Extend five (5) of the existing Arrival and Departure tracks in the Tideflats to 10,000 feet:
   - Removal and disposal of portions of the existing tracks.
   - Clearing, grubbing, regrading and relocation of utilities.
   - Installation of new tracks.
   - Installation of through plate girder bridges.
   - Reevaluate Port of Tacoma remedial options of Portac cap reconfiguration.
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7

7

RFQ to Design Project Schedule

Activity	Timeframe
Issue RFQ	Q4 2026
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8

8

Source of Funds

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2. The 2026-2031 Capital Investment Plan (CIP) Budget allocates $9.2 million for the design of this project.

3. Construction costs, expected to be over $10 million, are not in the CIP as we wait for the design to inform the cost.

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9

9

Financial Summary

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10

10

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