



MINUTES

The Northwest Seaport Alliance (NWSA)
Managing Member Regular Meeting
Port of Seattle | Port of Tacoma Special Meeting
Tuesday, April 1, 2025
The Conference Center at SEA
17801 International Blvd. Seattle, WA

Commissioner present:

Port of Seattle:

Toshiko Hasegawa

Ryan Calkins

Sam Cho (via Teams)

Fred Felleman (via Teams)

Hamdi Mohamed

Port of Tacoma

John McCarthy

Kristin Ang

Deanna Keller (via Teams)

Dick Marzano

Don Meyer

1. Call to Order

The meeting was called to order at 9:30 a.m. and immediately recessed to closed session.

2. Recess to Closed Session

A closed session was held pursuant to Federal Maritime Commission (FMC) regulations and related laws found at 46 U.S.C. § 40306, 46 C.F.R. § 535.608, 46 C.F.R. § 535.701(i)(1) and as authorized by the Port of Seattle (POS)/Port of Tacoma (POT) Alliance Agreement, FMC Agreement No. 201228; and an executive session held to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency (RCW 42.30.110(1)(i)) and to review the performance of a public employee. RCW 42.30.110(1)(g). The closed session was extended by 15 minutes and ended at 12:15 p.m.

3. Return to Order

The Managing Members reconvened in public at 12:18 p.m. Co-Chair, Toshiko Hasegawa, called the regular meeting back to order and the special Port of Seattle and Port of Tacoma meetings to order.

4. Flag Salute

The Pledge of Allegiance was recited.

5. Chief Executive Officer's Report

CEO, John Wolfe, provided a summary of the meeting agenda. Sr. Director of Engineering, Thais Howard, provided a report on a March 5, 2025, emergency declaration at Washington United Terminals.

6. Public Comment

None.

7. Work Group / Committee Reports

Co-Chair, John McCarthy, reported on the NWSA Environmental Work Group's March 20, 2025, meeting.

8. Consent Agenda

Item 8B(2) was removed from the consent agenda.

It was then moved and seconded (McCarthy/Meyer) to approve the consent agenda as amended including:

- A. Approval of the minutes of March 7, 2025 meeting.
- B. (1) Approve disbursements totaling \$5,554,788.80 on checks 813 through 849 and 851 through 946 in the amount of \$2,693,055.79 and electronic payments in the amount of \$2,861,733.01 issued during the period of February 24, 2025 through March 31, 2025 certified by the NWSA auditor.
- C. Adopt NWSA Resolution 2025-03, the Master Benefit & Salary Resolution.
- D. Homeport Action: Port of Seattle and Port of Tacoma Commissions: Adopt Resolution 3835 / 2025-04-PT, a Joint Resolution of the Port of Seattle and Tacoma Commissions regarding Water Resource Development Act (WRDA) Section 2106 and Harbor Maintenance Tax (HMT) Donor Port Fund distribution for 2024 and Future Years.

The motion carried by the following vote:

Port of Seattle:
(including Homeport Action 8D)
Toshiko Hasegawa - aye
Ryan Calkins - aye
Sam Cho - aye
Fred Felleman - aye
Hamdi Mohamed - aye

Port of Tacoma:
(including Homeport Action 8D)
John McCarthy - aye
Kristin Ang - aye
Deanna Keller - aye
Dick Marzano - aye
Don Meyer - aye

It was moved and seconded (Mohamed/Ang) to approve item 8B(2), disbursement totaling \$30,518.54 on check 850 issued March 5, 2025, certified by the NWSA auditor.

The motion carried by the following vote:

Port of Seattle:
Toshiko Hasegawa - aye

Port of Tacoma:
John McCarthy - abstain

Ryan Calkins - aye
Sam Cho - aye
Fred Felleman - aye
Hamdi Mohamed - aye

Kristin Ang - aye
Deanna Keller - aye
Dick Marzano - aye
Don Meyer - aye

9. Actions

- A. Dual Action of Port of Seattle Commission and NWSA Managing Members.
Terminal 46 North (T46 N) Substation No. 1 Replacement Project Authorization Increase.

Aaron Gowin, NWSA Real Estate Manager and Arthur Kim, Port of Seattle Capital Project Manager III gave a presentation.

The T46 N Substation No. 1 Replacement Project has been delayed over 90 days due to factors beyond the control of the NWSA and Port of Seattle. Factors include delays in Seattle City Light (SCL) providing the transformer, miscommunication between the contractor and SCL regarding SCL specifications, discovery of a broken storm drainpipe and catch basin and unexpectedly high costs for SCL's support.

It was moved and seconded (Mohamed/Calkins) that:

- (1) the Managing Members of the NWSA increase project authorization in the amount of \$500,000 for a total authorized amount of \$8.5 million for the replacement of Substation No. 1 located on Terminal 46, servicing both NWSA licensed property and property managed by the Port of Seattle, MID No. U00671. (\$1.7 million (20%)) to be reimbursed to the NWSA by the Port of Seattle).
- (2) the Port of Seattle Commission authorize an increase in the total costs not to exceed amount from \$1.6 million to \$1.7 million for reimbursement to the NWSA for the replacement of Substation No. 1 located on Terminal 46 licensed to the NWSA and the Terminal 46 North Pier under Port of Seattle management, MID NO. U00702.

Discussion:

- Sr. Director of Engineering, Ms. Howard explained that NWSA/POS need to cover the SCL's increased costs because SCL (the utility) is the only provider that can do the work. The comment was made that SCL should be liable for some of the added costs.
- The basis for charging the 80/20 split of cost between the NWSA and POS is the unlicensed (to the NWSA) portion of Terminal 46 owned and operated by the Port of Seattle.
- T46 N Substation No. 1 would not be able to support shore power. Shore power would have to be sourced from a different substation.

The motion carried for the Managing Members and Port of Seattle Commission by the following vote:

Port of Seattle (Dual Action Vote):

Port of Tacoma:

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

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

B. Dual Action Port of Seattle Commission and NWSA Managing Members.
Terminal 25 South (T-25 S) Memorandum of Understanding (MOU)

Erin DeBroux, NWSA Sr. Real Estate Manager and Jennifer Maietta, POS Director of Real Estate, gave a presentation.

T-25 S is owned by the POS with a portion of the total site licensed to and managed by the NWSA. POS intends to complete a habitat restoration project ("Habitat Project") on its portion of the property, which includes a proposed Green Stormwater Infrastructure ("GSI") feature to treat runoff from future NWSA development(s), as well as a permanent vegetated buffer to further separate the Habitat Project from NWSA industrial uses.

Approximately 0.5 acres has been identified by the POS for the GSI feature ("GSI Area") and an additional approximate 0.5 acres for the vegetated buffer ("Buffer Area") (together "the Premises"). The NWSA is in general agreement with construction of these features and has commenced discussions with POS to identify the terms and conditions that will be included in a future Agreement.

To move the Habitat Project forward, the POS must provide documentation to regulatory agencies and tribes that the GSI and Vegetated Buffer Areas will be available and included in the design. To meet this documentation requirement, this MOU is drafted as an interim agreement with the intention of identifying the high-level terms and conditions of which the POS and NWSA will fully negotiate and incorporate into a future Agreement.

The proposed terms and financial implications were presented.

It was moved and seconded (Mohamed/Felleman) that the Managing Members authorize the NWSA CEO or his delegate, and that the Port of Seattle Commission authorize the Port of Seattle Executive Director or his delegate, to execute a Memorandum of Understanding between the NWSA and the Port of Seattle for the future use of a portion of Terminal 25 South, in substantially the same form as presented, for a proposed Green Stormwater Infrastructure feature and vegetated buffer

Discussion:

- Compensation to the NWSA related to any identified benefits received by the NWSA from the GSI.
- The Port of Seattle would pay the NWSA market rate for the one-acre Premises in perpetuity. Staff do not expect the appraisal value to be large as 1/3 is unleaseable.
- Commissioner Felleman suggested that the project brings immediate benefit to the NWSA and should therefore be a wash.
- The overall marketing plan for the undeveloped portion is to relocate Terminal 10 parking space to T25-S. Further analysis is needed to determine development costs and lease rates.
- Staff reiterated that the unlicensed portion of T25-S is intended to be committed to the project in a consent decree that POS expects to enter this summer. The MOU is to provide confidence that the acre will be available for the project.

The motion carried for the NWSA Managing Members and the Port of Seattle Commission by the following vote:

Port of Seattle (Dual Action Vote):

Toshiko Hasegawa - aye

Ryan Calkins - aye

Sam Cho - aye

Fred Felleman - aye

Hamdi Mohamed - aye

Port of Tacoma:

John McCarthy - aye

Kristin Ang - aye

Deanna Keller - aye

Dick Marzano - aye

Don Meyer – aye

C. First Amendment to Temporary Gate Extension and Pause Agreement Regarding Terminal 30 (T30) with SSA Terminals (Seattle) LLC (SSA or Tenant).

Mr. Wolfe and NWSA General Counsel, Dana Henderson presented.

At the March 7, 2025, Managing Member meeting, the Managing Members directed counsel to take legal action against SSA after April 1, 2025, with the intent of allowing the parties to continue negotiations to find a resolution.

As a reminder SSA is the terminal operator under lease at T30. SSA ceased operations at T30 beginning January 1, 2025, with 15 years remaining on their lease.

Approximately one week ago the NWSA received a written settlement offer from the tenant, and a proposal from them to amend the prior Pause Agreement and mediate

the case. The NWSA has also received payment from the tenant, and they are current on rent and security obligations under the lease.

Ms. Henderson provided the terms of the proposed amendment which, in addition to extending the Pause Period through June 30, 2025, would require the NWSA to make a written proposal within two days and require the parties to mediate. The key terms of the amendment to the Pause Agreement were also presented.

It was moved and seconded (McCarthy/Calkins) to authorize CEO or his delegate to execute the First Amendment to the Temporary Gate Extension and Pause Agreement with SSA Terminals (Seattle), LLC in substantially the same form as presented, provided that SSA shall remain current on its rent and other financial obligations under the Lease during the Pause Period.

Discussion:

- Potential benefits of mediation were discussed.
- Commissioner Keller said she does not support extending the Pause Period for several reasons specifically, the tenant walked away from their contract obligations, bringing their account current just this morning to reach an 11th – hour agreement. She took issue with being contacted directly by the tenant’s legal counsel.
- Commissioner Mohamed supports a pause agreement and hopes the parties negotiate in good faith and that mediation has a positive outcome. She emphasized the five-day gates must remain in place. She asked that all remain mindful of the impact on the working people at both ports that will be impacted by these decisions.
- Co-Chair Hasegawa noted that if at any juncture the parties cannot come to agreement, litigation is still a recourse. Her priority is getting cargo volume through the gateway and jobs in the North Harbor. She noted the long relationship with SSA and that though the parties’ goals might not be the same, there are areas of common interest. Out of respect for the relationship between the parties and those shared interests, she hopes the parties enter mediation in good faith to reach meaningful resolution within 90 days, avoid litigation and move toward getting volume through the gateway.
- Commissioner Felleman said he is dismayed that this is the point to which the NWSA’s relationship with SSA, a long-term tenant, has devolved. He commented that until a judge rules otherwise, the obligation for SSA is to remain current on their lease.
- The term requiring SSA to keep current on rent would be a proviso of the Managing Members. If the parties cannot reach agreement, NWSA legal counsel has the directive of the Managing Members to proceed with litigation.

- Commissioner Cho opposes the motion on principle stating tenants should not be able to simply walk away from a lease and then ‘dangle a carrot’ in the form of money they already owe. SSA leaving T30 is costing jobs.

The motion carried by the following vote:

Port of Seattle:

Toshiko Hasegawa - aye

Ryan Calkins - aye

Sam Cho - opposed

Fred Felleman - aye

Hamdi Mohamed - aye

Port of Tacoma:

John McCarthy - aye

Kristin Ang - aye

Deanna Keller - opposed

Dick Marzano - aye

Don Meyer - aye

10. Briefings

None.

[Commissioner Keller was excused at 1:35 p.m.]

11. General Business

A. Cargo/Operations Update.

Tong Zhu, Chief Commercial & Strategy Officer and Jeff Bellerud, COO provided the update.

- Ms. Zhu reported on concerns related to uncertainty surrounding tariffs proposed by President Trump to go into effect April 2, 2025.
- Mr. Wolfe reported on discussions held in Washington D.C. before the U.S. Trade Representative (USTR). These discussions provided an opportunity to highlight challenges with federal policy on Harbor Maintenance Tax which has been hurting the gateway for decades and concerns regarding unintended consequences tariffs in general associated with loss of cargo to the United States. A similar message was shared with the National Security Council leadership. Mr. Wolfe thanked Commissioner Cho for testifying on behalf of the NWSA before the USTR.
- Mr. Bellerud reported that volumes in the NWSA gateway are up and operations have improved in all three key metrics including truck turn times, rail dwell and vessel productivity.
- Co-Chair Hasegawa commented on potential disruption to port operations due to firing of probationary federal employees at the Federal Mediation & Conciliation Service, the entity responsible for mediating labor disputes.

- Commissioner Marzano expressed concerns about Eastern Washington exports. He commented that trade wars are not beneficial to anybody and that with a trade war, comes loss of jobs.
- Commissioner Calkins commented that the benefits of global trade and the soft power it creates for the United States are not accounted for in President Trump's plan adding that the U.S. will be unilaterally giving up global influence, power and economic well-being at the expense of workers.

[Commissioner Felleman was excused at 2:00 p.m.]

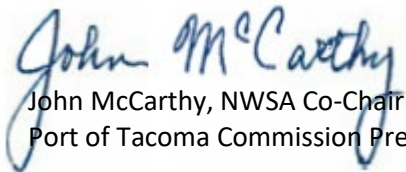
- Commissioner Cho commented on tariffs and the tax levy on Chinese vessels.
- Co-Chair Hasegawa expressed her disappointment with Seattle City Council's recent decision regarding industrial land zoning for housing.

B. CEO Announcements.

C. Commissioner Comments.

12. Adjourn

With no further business the meeting was adjourned at 2:12 p.m.


John McCarthy, NWSA Co-Chair
Port of Tacoma Commission President


Toshiko Hasegawa, NWSA Co-Chair
Port of Seattle Commission President

Attest:



Don Meyer, NWSA Co-Secretary
Port of Tacoma Commission Secretary



Sam Cho, NWSA Co-Secretary
Port of Seattle Commission Secretary

Prepared by: Juliet Campbell, NWSA Clerk