

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

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

|                        |                    |
|------------------------|--------------------|
| <b>Item No.</b>        | <u>9A</u>          |
| <b>Date of Meeting</b> | <u>May 2, 2023</u> |

**DATE:** April 19, 2023

**TO:** Managing Members

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

**Sponsors:** David Morrison, Chief Financial Officer, NWSA  
Ryan McFarland, Director, Government Affairs, NWSA

**SUBJECT:** Harbor Maintenance Tax (HMT) and Water Resource Development Act (WRDA)  
Section 2106 funds distribution for 2023

**Attach:** April 7, 2023, Action Plan for Securing Donor Port Funds

**A. ACTION REQUESTED**

Request waiver of second reading for Port of Seattle and request adoption of Joint Resolution of the Port of Seattle (No. 3813) and Port of Tacoma (2023-09-PT) committing the Homeports to providing an amount equivalent to the 2023 HMT / Section 2106 funds received by each Homeport to the NWSA to be used for eligible projects in each respective harbor that does not impact the 50/50 split of membership interest based on the distributed amount to the NWSA, and authorizing the return of cash to the two home ports for expensed projects.

**B. BACKGROUND**

**1. GENERAL HARBOR MAINTENANCE TAX (HMT) BACKGROUND**

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

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<sup>1</sup> Due to the Supreme Court decision of *U.S. v. United States Shoe Corp.*, 523 U.S. 360 (1998), exporters no longer pay the tax because it was found unconstitutional and in violation of the Export Clause, U.S. Const., Art. I, §9.

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

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

As a first step in addressing these longstanding concerns, Senator Patty Murray led the creation of a program for donor ports under Section 2106 in the Water Resources Reform and Development Act of 2014 (WRRDA [AKA WRDA]). Section 2106 funds come from the General Fund and not the HMTF. Section 2106 allows Seattle, Tacoma, and other donor ports<sup>2</sup> to offer incentives to shippers to help offset the HMT cost disadvantage relative to Canadian ports. Section 2106 funding also can be used for a limited number of "expanded uses" beyond the traditional uses of the HMT, including maintenance dredging in berths. The method of distribution and rules regarding the use of HMT and Section 2106 funds is specified in the WRDA legislation as well as implementation guidance developed by the Army Corps of Engineers (USACE).

Until 2021, the NWSA elected to use our Section 2106 funds for importer incentives, which were issued by Customs and Border Protection (CBP) under the structure established by WRDA 2014 and subsequent implementation guidance. For 2021 and 2022, the Managing Members approved the staff recommendation to transfer all Section 2106 funds received to the NWSA. This allowed other NWSA generated funds to finance an incentive program that meets the NWSA objectives of increasing cargo through the gateway.

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

## **3. USES OF FUNDS**

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

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<sup>2</sup> Current donor ports: Seattle, Tacoma, Los Angeles, Long Beach, New York/New Jersey, Miami, Hueneme, San Diego, and Everglades. WRRDA 2014 also made Section 2106 available to "energy transfer ports:" South Louisiana, New Orleans, Baton Rouge, Plaquemines, Lake Charles, Houston, Beaumont, Corpus Christi, Texas City, Baltimore, Long Beach, Mobile, NY/New Jersey, and Norfolk.

Section 2106 eligible spending (not HMT eligible)

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

Section 2106 and HMT eligible spending

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

**4. HMT AND SECTION 2106 FUNDS RECEIVED IN 2023 AND FUTURE FUNDS**

The Port of Seattle will receive approximately \$2.714 million, and the Port of Tacoma will receive approximately \$3.364 million in Section 2106 funds in 2023. HMT Funds were expected to be received starting FY 2023 but were not included in the United States Army Corps of Engineers 2023 work plan as explained in the attached April 7<sup>th</sup> memo. The NWSA and other donor ports have engaged members of Congress who support a more equitable distribution of annual HMT receipts. We are reasonably confident HMT funds will be distributed to donor ports according to the WRDA 2020 formula next year.

The Federal Government will not share the data showing the calculation of HMT by importer, by terminal, or by anything other than by harbor. Applying the HMT rate of .125% to Homeport and NWSA cargo and cruise activity that is subject to the HMT, NWSA staff estimate that about 97% of the HMT funds we receive are associated with cargo activity. In addition, the HMT reform work both home ports and NWSA have been engaged in over the last decade was undertaken specifically to address the competitive position of our cargo facilities

compared with Canadian ports. Therefore, staff proposes that the home ports commit to providing funds equal to the HMT and Section 2106 funds received in 2023 be available to the NWSA. The NWSA is in the best position to expend these funds for improvements in each harbor and incentive programs to enhance the competitiveness of the gateway. If the NWSA spending of HMT and Section 2106 funds is delayed, the homeport may spend the funds on eligible projects, but commits to providing an amount equal to the 2023 funds received for eligible NWSA projects in that home port harbor.

While the legislation is unclear as to where the funds must be used, staff proposes that all funds received from a certain harbor in turn be used in that harbor unless the US Army Corps of Engineers provides guidance in the future allowing funds to be used in harbors other than where the funds were generated. Additionally, staff recommends that the policy decision made by the Managing Members that the contribution of these funds from the two home ports does not impact the 50/50 membership interest in the NWSA continues. This is consistent with the action for 2021 and 2022 Section 2106 funds.

### **C. FINANCIAL IMPLICATIONS**

The proposal is to commit an amount equal to HMT and WRDA Section 2106 funds received in 2023 to the NWSA. The funds will be tracked and spent in the appropriate harbor for projects that meet the allowable criteria.

Seattle: \$6.7M of total eligible projects including design for berth maintenance dredging at T18, T30 and T46, design work for dock rehabilitation at T18, T25, and T30, and other projects.

Tacoma: \$5M of total eligible projects including PCT fender replacement, PCT and TOTE maintenance dredging, and other projects.

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

This resolution proposes that as a matter of policy, the 2023 HMT and Section 2106 received by a homeport be committed to the NWSA for eligible uses without impacting the membership interests of each homeport in the NWSA.

Staff will make an annual recommendation on the use of the HMT and Section 2106 funds to be received during the Federal Government's fiscal year (starting October) and future years.

### **D. PREVIOUS ACTIONS OR BRIEFINGS**

The Managing Members have received several memorandums concerning HMT and Section 2106 funds and approved the transfer of all Section 2106 funds received in 2021 and 2022 to the NWSA. This proposal is focused solely on the HMT and Section 2106 funds to be received by the home ports in 2023. Additional actions will be required for future HMT and Section 2106 funds.

A JOINT RESOLUTION OF  
THE PORT of SEATTLE No. 3813 and PORT of TACOMA No. 2023-09-PT

***Regarding Section 2106 and HMT Funds for 2023***

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

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

**WHEREAS**, HMT operates to create a competitive disadvantage for American ports when compared with Canadian ports;

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

**WHEREAS**, each port’s maintenance dredging needs vary, and what are now known as “HMT donor ports” such as the Ports of Seattle and Tacoma (also referred to collectively herein as “Homeports”) generate far more HMT than they receive in return;

**WHEREAS**, HMT reform has long been a top priority of the Homeports and of the Northwest Seaport Alliance (NWSA);

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

**WHEREAS**, Section 2106 funding also can be used for a limited number of “expanded uses” beyond the traditional uses of the HMT, including maintenance dredging in berths;

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

**WHEREAS**, in 2021 and 2022, per Homeport commission approval on Resolutions numbered 3788 and 3798 (Port of Seattle) and 2021-10-PT and 2022-01-PT (Port of Tacoma) Section 2106 funds were transferred by the Homeports to the NWSA to be used for infrastructure to allow other NWSA-generated funds to finance an incentive program that meets the NWSA objectives of increasing cargo through the gateway;

**WHEREAS**, when the Section 2106 program was established, the Homeports agreed that instead of the NWSA directly seeking Section 2106 funding, the Homeports would seek funding separately so as to increase the overall amount of funding to be provided to the NWSA gateway;

**WHEREAS**, in 2023 the Port of Seattle will receive approximately \$2.714 million, and the Port of Tacoma will receive approximately \$3.364 million in Section 2106 funds;

**WHEREAS**, due to difficulty in determining exactly what activity the Homeports' WRDA donor port funds are associated with, applying the HMT rate of .125% to Homeport and NWSA cargo and cruise activity that is subject to the HMT results in an estimate that about 97% of the 2022 WRDA Section 2106 funds are associated with cargo activity;

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

**WHEREAS**, the NWSA is in the best position to expend these 2106 funds for improvements in each harbor and incentive programs to enhance the competitiveness of the gateway;

**WHEREAS**, consistent with the actions in 2021 and 2022, in 2023, staff proposes that all funds received from a certain harbor in turn be used in that harbor in a timely manner; and

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

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

Pursuant to Section 3.13 of the NWSA Charter regarding "Contributed Capital"

The Port of Seattle and the Port of Tacoma commit to contributing to the NWSA an amount equal to all Section 2106 / HMT funds received in 2023 to be spent in the corresponding harbor for projects that meet the allowable criteria;

The 2023 Section 2106 funds contributed to the NWSA by either the Port of Seattle or the Port of Tacoma for eligible uses shall not impact the membership interests of each Homeport in the NWSA;

NWSA shall utilize any 2023 Section 2106 funds provided by the Homeports in compliance with the requirements of any related agreement or memorandum of agreement executed by a Homeport with the Department of the Army, U.S. Army Corps of Engineers; and

The Homeports shall complete any reporting needed to adhere to the requirements of any agreement or memorandum of agreement executed by a Homeport with the Department of the Army, U.S. Army Engineers relating to any 2023 Section 2106 / HMT funds, including any funds transferred from the Homeports.

ADOPTED by a majority of the members of the Port of Tacoma Commission and by a majority of the members of the Port of Seattle Commission at a special meeting held on the 2<sup>nd</sup> day of May, 2023, majority of the members of both Port Commissions being present and voting on this joint resolution and signed by the Commissioners of both ports in authentication of its passage this 2<sup>nd</sup> day of May 2023.

## PORT OF SEATTLE

Sam Cho, President  
Port of Seattle Commission

Toshiko Hasegawa, Vice President  
Port of Seattle Commission

Fred Felleman, Secretary  
Port of Seattle Commission

Ryan Calkins  
Port of Seattle Commission

Hamdi Mohamed  
Port of Seattle Commission

## PORT OF TACOMA

Deanna Keller, President  
Port of Tacoma Commission

Kristin Ang, Vice President  
Port of Tacoma Commission

John McCarthy, Secretary  
Port of Tacoma Commission

Dick Marzano, 1<sup>st</sup> Assistant Secretary  
Port of Tacoma Commission

Don Meyer, 2<sup>nd</sup> Assistant Secretary  
Port of Tacoma Commission



**Item No. 9A**

**Date of Meeting: May 2, 2023**

# **Water Resources Reform and Development Act (WRRDA [AKA WRDA]) Section 2106 and Harbor Maintenance Tax (HMT) Donor Port Overview and 2023 Fund Use Discussion**

**David Morrison, Ryan McFarland, & Team**



# Briefing Topics

- **Overview / Issues**
- **Principles**
- **2023 Request**
- **Future Process**
- **Eligible Projects and Criteria**
- **Recommendation**



# WRDA/HMT overview

- **Harbor Maintenance Tax (HMT) generated through taxing of the inbound cargo owners which bring international cargo through that harbor.**
  - NWSA and homeports have no control over cargo value and the amount of HMT generated
  - The Gateway expected to receive approximately \$14M more (2023) if the two homeports receive HMT vs the NWSA receiving for the gateway
- **Water Resource Development Act (WRDA) Section 2106 (2106) funds are appropriated through Congress**
  - Distributed using the same methodology as HMT funds
- **These funds are made available to the Homeports to fund only those projects that meet specific criteria**
- **HMT funds may temporarily stop if distributions exceed Donor Port collection threshold in that harbor –**
  - Future HMT funds receipt is not certain



# HMT Fund Generation

- **Some HMT funds are generated by non- NWSA activity**
  - POS Cruise
  - POT Auto
  - Non-port customers within the gateway
- **The exact amounts are difficult to determine, and the Federal Government will not share the data**
- **Estimates based on 2022 data indicate 97% of HMT for NWSA related business**
- **Use and distribution of both HMT and 2106 are governed by the WRDA legislation**



# 2023 HMT funds Not Dispersed

- **The United States Army Corps of Engineers (USACE)'s 2023 Work Plan did not disperse the HMT Funds as expected**
- **The USACE interpreted the dispersement of HMT as discretionary not mandatory**
- **Staff is working with Congressional Staff, American Association of Ports Authorities, and other ports that expected HMT funds to codify that HMT dispersement as Mandatory for 2024, and seeking payment of 2023 funds**
- **See April 7<sup>th</sup> memo for further details**



# WRDA/HMT overview

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

| Source 2023 (\$M) | POT   | POS   | Total |
|-------------------|-------|-------|-------|
| 2106              | 3.4   | 2.7   | 6.1   |
| HMT               | 0     | 0     | 0     |
| Total             | \$3.4 | \$2.7 | \$6.1 |

\* Amounts depend on total number of Donor Ports which could change in any year.

# HMT / 2106 Use Principles

- 1. Maximize the HMT / 2106 funds over time to the gateway**
- 2. Spend funds as quickly as possible**
  - There is no benefit from HMT / 2106 funds until they are used to reduce capital or expensed project costs
  - There is a risk of losing future funds due to congressional action to change the WRDA rules if funds are not used in a timely manner
- 3. Projects advance on their merit, not eligibility**
  - NWSA will request funding of projects that support business needs
  - Risk to future WRDA amounts mean projects may still need homeport funding

**These Principles will help optimize outcome**

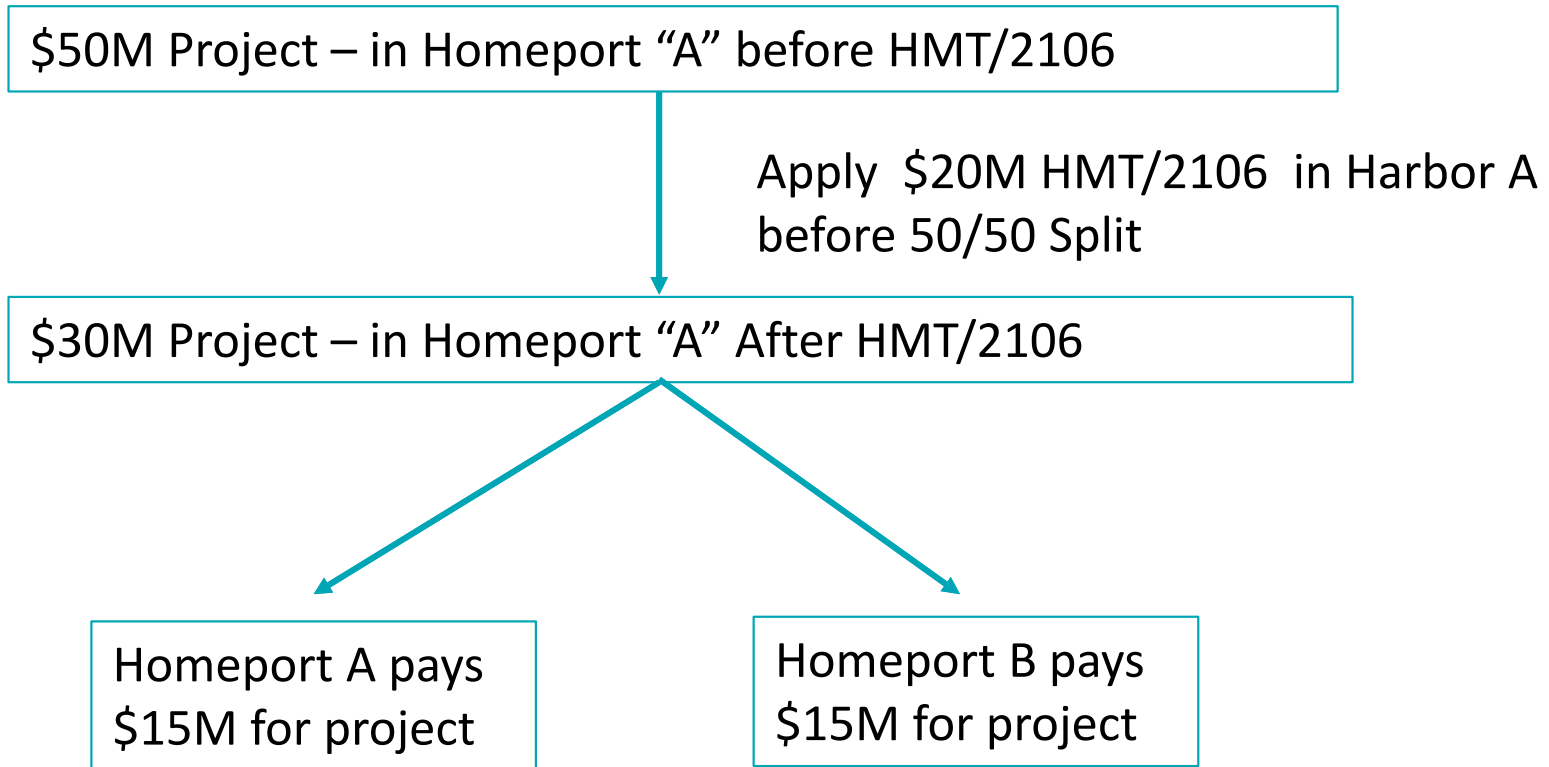


# Recommendations To Support These Principles

- **Prioritize use of HMT / 2106 for funding on NWSA Projects**
  - to incentivize homeport collaboration in support of the gateway
  - Both homeports benefit from any HMT / Section 2106 use
- **Apply HMT / 2106 similar to grants – reduces the 50/50 homeport split on any funded projects**



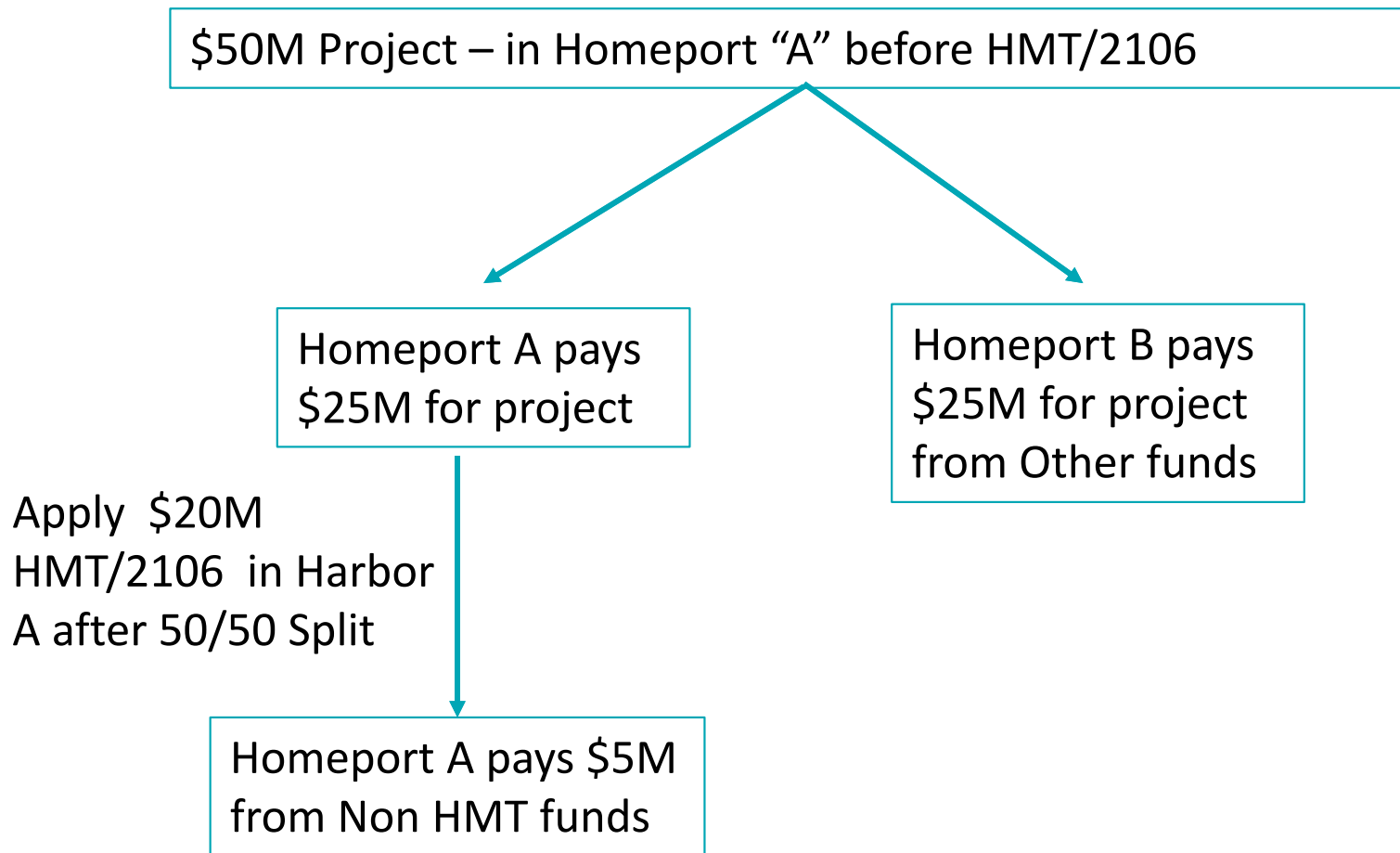
# Joint Benefit Approach



- **Identical to how Grants and other external funding are treated**
- **Maintains 50/50 investment in projects**
- **no incentive to direct cargo to a specific harbor; allows cargo to flow based on customer preference not funds considerations**



# Single Harbor Benefit Approach



- **Could incentivizes homeports to steer NWSA business to their harbor so they get more funds**



# 2023 Recommendation

- **POT & POS commit total 2023 HMT/2106 funds receipts for current and future eligible projects**
  - NWSA has identified eligible projects that will fully use the expected 2023 funds over the next two years (2023 and 2024)
- **The use of HMT/2106 funds will be presented to the MM's every year. This is only an action for 2023 funds.**
- **All projects will still have to be approved by the Managing Members separately.**
  - Use of HMT/2106 for a project reduces or eliminates the 50/50 homeport funding
  - Uncertainty regarding future funds receipts means that some eligible project spending will/may need other homeport funds
  - Staff will provide estimated HMT/2106 funding for each project request

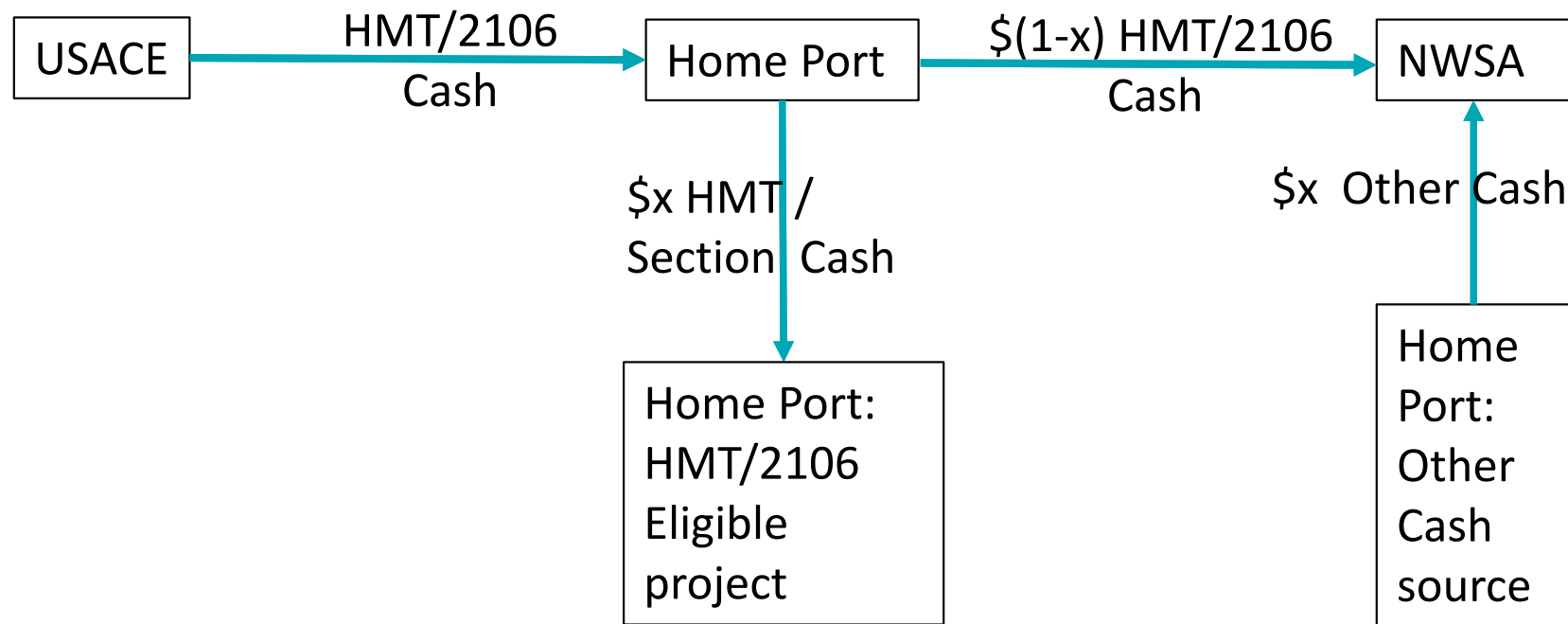


# HMT/Section 2106 funds used 100% for NWSA



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

# HMT/WRDA funds used Partially for NWSA



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

# Looking to 2024

## Staff has identified risks to future HMT Funding

- The number of Donor Ports may increase, reducing amount received by POT and POS
- Interpretation of Donor Port definitions by USACE may result in loss of HMT funds in some years
  - Staff pursuing definition clarification
  - May require legislative changes in the next WRDA bill in 2024
- Depending on outcome of staff research and work, it may be advantageous to have the NWSA vs POT and POS be the “donor port”
  - More stable funding year over year but maybe at a lower amount per year
  - May provide flexibility as the funds will not be “specified” for one harbor or another



# Looking to 2024

## **Staff is developing an approach to maximize HMT/2106 use (principle #1) through homeport & NWSA collaboration**

- Budgeting
  - Homeports and NWSA identify and prioritize eligible projects
  - Staff presents a joint recommendation of HMT funding commitment
  - For clarity, NWSA operating budget and CIP will be presented with and without HMT/WRDA funding
- Mid year Calibration
  - Review status of actual HMT/2106 spending and make adjustments as appropriate, e.g.
    - NWSA may request to use HMT/2106 for future spending or for an alternative project, or
    - A homeport may use HMT/2106 for homeport eligible projects by swapping other homeport funds – maintains the value of the funding commitment



# HMT/WRDA Use Criteria

## Allowable usage for donor ports:

### Section 2106 eligible spending

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

### Section 2106 and HMT eligible spending

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



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

| South Harbor                                 |             |             |             |             |             |        |
|--|-------------|-------------|-------------|-------------|-------------|--------|
| Project Name                                 | 2023 Budget | 2024 Budget | 2025 Budget | 2026 Budget | 2027 Budget | Total  |
| WUT Maintenance Dredging                     | 58          | -           | -           |             |             | 100    |
| Pier 3/4 Maintenance Dredging                | 95          | -           | -           |             |             | 100    |
| PCT Maintenance Dredging                     | 196         | 7300        | -           |             |             | 7,669  |
| T7 Berth D Fender Repairs                    | 102         | -           | -           |             |             | 259    |
| Pony Lumber Dock Repairs                     | 363         | -           | -           |             |             | 441    |
| PCT Fender Repairs                           | -           | -           | -           |             |             | 67     |
| TOTE Berth Maintenance Dredging              | 183         | -           | 550         |             |             | 750    |
| WUT Fender System Replacement                | -           | -           | -           |             |             | 1      |
| PCT Fender Replacement                       | 2,510       | -           | -           |             |             | 2,639  |
| Husky Toe Wall                               | -           | -           | 13,650      |             |             | 13,650 |
| WUT Toe Wall                                 | -           | -           | -           | 24,055      |             | 24,055 |
| Blair Dock Cleat Replacement                 | 301         | -           | -           |             |             | 301    |
| T7 Berth C Cleat Replacement                 | 395         | -           | -           |             |             | 395    |
| South Harbor Total                           | 4,203       | 7,300       | 14,200      | 24,055      | -           | 50,427 |
| North Harbor                                 |             |             |             |             |             |        |
| Project Name                                 | 2023 Budget | 2024 Budget | 2025 Budget | 2026 Budget | 2027 Budget | Total  |
| T18 North Bullrail & Structural Pier Repairs | 873         | 2210        | -           |             |             | 3,090  |
| T18 Maintenance Dredging                     | 480         | 8060        | -           |             |             | 8,540  |
| T30 Maintenance Dredging                     | 480         | 4269        | -           |             |             | 4,749  |
| T46 Maintenance Dredging                     | 553         | 4155        | -           |             |             | 4,708  |
| T18 Full Dock Rehabilitation Design Only     | 1,959       | -           | -           |             |             | 1,967  |
| T18 Bollard Replacement                      | 935         | 1177        | -           |             |             | 2,112  |
| T25 Dock Rehabilitation                      | -           | -           | -           | 1,054       | 4,000       | 5,054  |
| T30 Dock Rehabilitation                      | -           | -           | 555         | 2000        | 5000        | 7,555  |
| T46 N & NW Bulkhead Replacement              | 400         | 1600        | 2,700       | 35000       | 300         | 40,000 |
| T46 SE Bulkhead Replacement                  | 247         | 416         | 3,637       | 6           |             | 4,306  |
| T46 South Concrete Deck Replacement          | 806         | 1925        | 3,406       |             |             | 6,137  |
| Nnorth Harbor Subtotal                       | 6,733       | 23,812      | 10,298      | 38,060      | 9,300       | 88,218 |



# Homeport Potential HMT/2106 projects (\$000s)

## Tacoma

| Potential Project   | Estimated Amount \$000 |
|---|------------------------|
| Oxy and Trident Sheet Pile Wall Installation. Assumes wall installation is part of remediation & project supporting future maritime business. | 10,000                 |
| CANAM contaminated sediment removal near TOTE   | 2,500                  |
| EBC Shipway Repair & Modernization  | 2,500                  |
| Hylebos Waterway Piling Removal & Turn Basin Dredge   | 2,000                  |
| Bank Stabilization - PoT non-licensed properties Survey, Design, Permitting, Construction   | 2,000                  |
| Maintenance dredging - PoT non-licensed properties  | 1,000                  |
| Marine View Drive Bank Stabilization  | 1,000                  |
| Former Navy Dock Repair   | 275                    |
| Trident Pier 24 and Pier 25 Repairs   | TBD                    |
|   | 21,275                 |

- POT projects listed are not included in the 2023-2027 CIP budget
- These projects will be scoped and may be proposed during the 2024 POT budget process
- Spending is unlikely to start until 2025, and would be design/scoping initially, with significant construction costs out further in time

## Seattle

| Project Name  | 2023 Budget | 2024 Budget | 2025 Budget | 2025 Budget | Total  |
|---|-------------|-------------|-------------|-------------|--------|
| T91 Berths 6&8 Redevelopment C102475 eligible costs | 1,172       | 28,999      | 43,370      | 336         | 73,877 |
| T91 Pier 90/91 dock Rehabilitation C801294          | 50          | 800         | 10,350      | 10,000      | 21,200 |
|   | 1,222       | 29,799      | 53,720      | 10,336      | 95,077 |

# Recommendation

- Request waiver of second reading for Port of Seattle and request adoption of Joint Resolution of the Port of Seattle (No. 3813) and Port of Tacoma (2023-09-PT) committing the Port of Seattle and the Port of Tacoma to providing an amount equivalent to the 2023 HMT / Section 2106 funds received by each Port to eligible projects in their respective harbor that does not impact the 50/50 split of membership interest based on the distributed amount to the NWSA, and authorizing the return of cash to the two home ports for expensed projects
- The Homeports will now take on responsibility for reporting 2106 / HMT fund usage to USACE on spending

