



Minutes
Managing Member Meeting – Special
Friday, March 29, 2024
Cedarbrook Lodge 18525 36th Avenue South, SeaTac, WA 98188

Commissioners present:

Port of Seattle: Ryan Calkins, Sam Cho, Hamdi Mohamed, Fred Felleman, Toshiko Hasegawa (remote)
Port of Tacoma: Kristin Ang, Deanna Keller, John McCarthy, Dick Marzano, Don Meyer

1. Call to Order and Flag Salute

The meeting was called to order at 9:35 a.m. by Alliance Co-Chair Commissioner Mohamed. The Pledge of Allegiance was recited.

2. Introductory Comments

Alliance CEO, John Wolfe, provided introductory comments. He announced the shore power plug in at terminal 5 was successful. The Alliance will be invoicing the tenant as of March 21, 2024.

CFO, David Morrison, and Senior Financial Analyst, Calum Tasker, gave presentation on the 2023 Financial results and a historical look at the performance of the Alliance since 2016. The 2024 budget to date and financial metrics and discount rates were also presented. CFO Morrison then presented proposed principles, methods and processes for adding Homeport property to the Alliance managed portfolio.

3. 2023 Financial Results, History and 2024 Budget Briefing

Changes to the budget presentation structure include taking the maintenance and administration expense categories out of the BARS structure to show separately. Maintenance Expense will now be separated into two categories: Maintenance Expense for standard maintenance and Expense Projects will be for expensed projects from the Capital Investment Plan. Information Technology will be removed from Administration Expense to its own category to separate those expenses from management.

4. Financial Metrics and Discount Rate Briefing

A new metric was introduced that will show cash provided from the Alliance to the Homeports and Cash from Homeports to the Alliance (excluding HMT).

Discount rates were explained. The NWSA manages to a triple bottom line of economic impact, environmental sustainability and financial return. The financial expectations may not be achieved based on other considerations. The discount rate used for financial analysis is 8.4 percent.

Commissioner Ang asked whether the discount rate should be raised or whether methodology should be changed. CFO Morrison recommended keeping the discount rate the same for consistency.

5. Principles, Methods, and Processes for Adding Homeport Property to the NWSA Managed Portfolio.

CFO Morrison provided a background. The Alliance is prohibited by its Charter from purchasing real property. Commissioner Meyer stated the reasoning for the prohibition at the time was to avoid entanglement of ownership. Property is owned by the Homeports and managed by the

Alliance. The Alliance Charter addresses the addition and removal of licensed Homeport properties, but not the methodology for maintaining the 50/50 balance. License for real property was not considered in the original valuation.

Five principles for adding Homeport properties were presented. Methods for adding property include license or lease from Homeports to the Alliance or if a Homeport has a business that aligns with the Alliance, the Alliance manages it for the Homeport. The pros and cons of each of the methods were discussed.

Commissioner McCarthy commented there is a Homeport risk by licensing to the Alliance in that the Homeport cannot use its land.

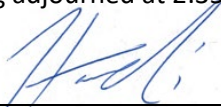
Thorne Road property located in the Tacoma Tidelands was used as an example. The challenges with both a licensing and a leasing scenario were presented. Commissioner Meyer questioned whether the site was still needed. An RFP issued by the Alliance in 2023 for tenants resulted in no viable responses. CEO Wolfe commented that when the Port of Tacoma embarked on the Thorne Road, it was in part to join with an emerging wetland, otherwise it would be too expensive to remove it. From a commercial opportunity standpoint, it was assumed it would be used for cargo. A long-term non-cargo use would get in the way of the larger vision of cargo activity in the Tidelands. Near-term opportunities need to be explored. The mid to long term vision for this area is an expansion of marine terminal cargo space.

6. Recess

The Managing Members recessed to a closed session allowable pursuant to Federal Maritime Commission regulations and related laws found at 46 U.S.C. § 40306, 46 C.F.R. § 538.608, 46 C.F.R. § 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement No. 201228. Co-Chair Mohamed announced that following the closed session, the Managing Members would adjourn and would not reconvene in public session.

7. Adjournment

The meeting adjourned at 2:35 p.m.



Hamdi Mohamed, Co-Chair
The Northwest Seaport Alliance

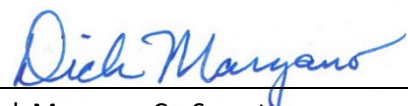


Kristin Ang, Co-Chair
The Northwest Seaport Alliance

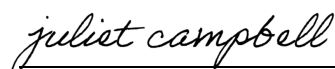
ATTEST:



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Dick Marzano, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance