

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

**MANAGING MEMBERS**  
**ACTION MEMO**

Item No.: 4B  
Date of Meeting: April 2, 2019

**DATE:** March 15, 2019  
**TO:** Managing Members  
**FROM:** John Wolfe, NWSA CEO  
**SUBJECT:** Authorization of Inter-Local Agreement between the NWSA and Port of Seattle for use of a portion of Terminal 46

**A. ACTION REQUESTED**

Northwest Seaport Alliance (“NWSA”) Managing Members and the Port of Seattle (“POS”) are asked to approve an Inter-local Agreement, by Dual Action vote, which establishes the terms under which the Port of Seattle will use a portion of Terminal 46, which is licensed to the NWSA.

**B. BACKGROUND**

The NWSA Managing Members, in support of the modernization of Terminal 5 and the marine cargo business in the Puget Sound Gateway, have determined that NWSA marine cargo realignment supports use of a portion of Terminal 46 for additional maritime uses. POS is currently reviewing development of a new cruise berth and facility, including the use of Terminal 46 for its location. An Interlocal Agreement (ILA) between the NWSA and the POS will facilitate the joint use of Terminal 46 for the benefit of future marine cargo operations on the majority of Terminal 46 and the additional cruise berth and facility.

**C. FINANCIAL IMPLICATIONS**

Addressed in North Harbor Strategy Commercial Agreements

**D. INTER-LOCAL AGREEMENT TERMS**

This ILA will set forth the specific terms for use of T-46.

- POS will have use of 1,500 linear feet on the north portion of the west-facing berth and the use of approximately 29 acres of the Terminal 46 on the north portion (the “Premises”).

- POS will compensate the NWSA an amount equivalent to the minimum annual guaranteed ("MAG") rent associated with the current lease on Terminal 46. Port of Seattle will begin payment in 2020. This Payment will increase at two percent per annum.
- POS will have access to the Premises no later than January 2020; use as a cruise terminal is expected to begin in 2022. The term of the ILA shall be twenty-three(23) years from the commencement of Cruise Terminal Operations, with options to extend.
- The NWSA and the POS will each be responsible for any future capital improvements on their respective terminal premises. Mutually agreed capital investments to common use facilities such as Terminal 46 access points will be shared pro-rata.
- The NWSA and POS will develop the specific cooperative terms for multi-use operations of Terminal 46 and for the use of any shared facilities, such as gate access.
- Additional ILA details will be added as an addendum by September 1, 2019.