



Item No: 4C_supp
Date of Meeting: April 2, 2019

NWSA Charter – One-time Membership Affirmation Authorization

Presenters: Dan Thomas, POS CFO
Erin Galeno, NWSA CFAO

Actions Requested

- 1. Request the Managing Members of the Northwest Seaport Alliance (NWSA) to accept and the Port of Seattle Commission to approve payment of up to \$32,000,000 pursuant to Charter Section 3.1 (c) (i) to the NWSA. This contribution supports the overall \$340,000,000 investment for the redevelopment of Terminal 5 and final resolution of the unsecured revenue for Terminal 5 that was included in the NWSA valuation on behalf of the Port of Seattle.**
- 2. Request Managing Members to affirm Membership Interest of 50/50 for each homeport in satisfaction of Charter Section 3.1 (c) (i).**
- 3. Request Managing Member authorization to distribute any affirmation payments to the homeports per the NWSA charter section 4.1.**



Background

- **The Northwest Seaport Alliance (NWSA) Charter included a one-time Membership Interest Affirmation in recognition that certain forecasted revenue streams were not secured by long-term contractual agreements.**
- **Each Homeport's contributed value included these forecasted revenue streams.**
- **The expectation was that by the end of 2017, the NWSA would have certainty associated with these licensed properties and would be able to determine if there was a significant valuation difference.**
- **In March of 2018, it was determined that two of the three unsecured revenue streams had been resolved without an impact to the valuation.**
- **A one-year deferral was authorized to allow time to determine the long-term impact of the redevelopment of Terminal 5 in the North Harbor.**



Details of Funding Approach

- **The first two installments of \$11,000,000 each will be made on or around March 31, 2020 and March 31, 2021, respectively.**
- **The final payment of up to \$10,000,000 will be calculated as follows:**
 - If the total program costs equal or exceed \$340,000,000, the Port of Seattle will pay the NWSA \$10,000,000,
 - If the total program costs are between \$330,000,000 and \$340,000,000, the Port of Seattle will pay the NWSA \$10,000,000 less the savings up to \$10,000,000, or
 - If the total program costs are less than \$330,000,000 the Port of Seattle will be due up to \$22,000,000 from NWSA for previous payments.



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Questions?

