

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No.	6B
Date of Meeting	May 1, 2018

DATE: April 16, 2018

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial Officer and Chief Strategy Officer

Project Manager: Ticson Mach, Capital Project Manager V

SUBJECT: Terminal 46 Capital Program Overview

A. BRIEFING REQUESTED

Staff will present an overview of the Terminal 46 Capital Program, summarizing progress to date. No action is requested.

B. SYNOPSIS

December 11, 2012, Port of Seattle Commission (“Commission”) approved the execution of the 13th amendment to the lease for Terminal 46 with Total Terminals International LLC. Per Paragraph 9 “Alteration and Improvement” of the 13th Amendment, Port of Seattle (“Port”) will construct the following improvements on the Premises:

- (i) Container Dock Apron crane rail extension
- (ii) Container Dock Structure pile cap and deck panel rehabilitation
- (iii) Container Yard Pavement
- (iv) Storm Water Facilities
- (v) Lighting Controls
- (vi) Crane Pin Down
- (vii) Fender System

C. BACKGROUND

Total Terminals International LLC (TTI) is the current tenant at Terminal 46. On December 11, 2012, the Commission authorized the Chief Executive Officer to execute the 13th Amendment to the lease for Terminal 46 with TTI. This lease amendment extended the lease term by 10 years to December 31, 2015, and committed the Port to certain capital improvements to the terminal.

In September 2014, the US Department of Transportation (“USDOT”) awarded Port of Seattle a \$20 million Transportation Investments Generating Economic Recovery (TIGER) grant for Terminal 46 improvements. Of the \$20 million, \$19 million of this federal grant funding was allocated to the Container Dock Structure work. The Port and the Maritime Administration (MARAD, the US DOT administration that is managing the grant) signed the grant agreement in April 2015.

D. CURRENT STATUS

- (i) Container Dock Apron – The work includes upgrading approximately 200 lineal feet at the north end of the existing dock apron for 100-foot gauge cranes to match the load capacity of the existing 2,300 lineal feet of dock apron. The project is currently on hold.
- (ii) Container Dock Structure – The work includes rehabilitate the existing dock and improve as necessary with the installation of pile caps and deck panels as determined by the Port to allow Lessee’s continued use of the Premises. This work was authorized by the Managing Members on November 7, 2017. The construction contract was awarded to Stellar J Construction, site work started on April 16, 2018.
- (iii) Container Yard Pavement – The original scope of work includes overlay of existing pavement with up to (6) six inches of asphalt where the existing pavement section is failing. However, due to terminal volumes, the ability to overlay the terminal in sections was not possible. Accordingly, the NWSA and TTI agreed to modify this requirement (14th Lease Amendment) and agreed that localized patching would be performed by the NWSA on an as needed basis not to \$400,000 annually and to not exceed \$5,000,000 over the remaining term of the lease.
- (iv) Storm Water Facilities – The work includes construction of improvements that, when completed, will be managed and operated by TTI. Three of four stormwater treatment systems are now complete. The fourth and last treatment system is scheduled to be installed in Quarter 3 of 2019. Installation of this last treatment system was delayed as it was within the portion of the Terminal leased to Washington State Department of Transportation (WSDOT) to accommodate construction of the Alaskan Way Tunnel Project. The WSDOT lease terminated on December 31, 2018 and the area was reincorporated back into the TTI lease.
- (v) Lighting – The work includes upgrading the existing lighting controls to allow for control of the lighting system from a central point location. This project is pending TTI notification to proceed.
- (vi) Crane Pin Down – The work includes constructing three additional crane pin-down locations within the existing dock apron and install similar crane pin-down locations on the to-be-upgraded 200 lineal feet of container dock apron. This work is on hold pending TTI notification to proceed.
- (vii) Fender System – The work included adding covers over the fender system to prevent ship line entanglement. This work has been completed.

E. NEXT STEPS

Proceed to execute construction of Container Dock Structure, and design of the fourth stormwater treatment system.