

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

**MANAGING MEMBERS**

**ACTION ITEM**

Item No. 5C

Date of Meeting January 3, 2017

**DATE:** December 21, 2016

**TO:** Managing Members, The Northwest Seaport Alliance

**FROM:** **Sponsor:** Tong Zhu, Chief Commercial Officer, Container & Real Estate  
**Project Manager:** Scott Francis, Real Estate Director, Port of Tacoma

**SUBJECT:** First Amendment to TOTE Lease and Operating Agreement

**A. ACTION REQUESTED**

Authorization for the Chief Executive Officer or his designee to enter into the First Amendment to the Lease and Operating Agreement between The Northwest Seaport Alliance and TOTE Maritime Alaska, Inc.

**B. SYNOPSIS**

The Northwest Seaport Alliance has a current terminal lease with TOTE Maritime Alaska, Inc. (TOTE). At the request of TOTE and Puget Sound Energy (PSE), the NWSA Managing Members approved at the August 2, 2016 public meeting a Pipeline Easement and a Bunkering Easement on the TOTE leased premises. The Bunkering Easement start date is scheduled for January 1, 2017. The proposed Lease Amendment removes the Bunkering Easement area from the existing TOTE Lease premises.

**C. BACKGROUND**

- The current TOTE lease includes about 47.6 acres on the Blair Waterway.
- During the 8-2-16 public meeting, the NWSA Managing Members approved a Bunkering Easement and a Pipeline Easement on the current TOTE leased premises.
- The proposed Lease Amendment carves out the easement area of approximately .51 acres from the current TOTE Lease.

**D. TERMS AND CONDITIONS**

- Start date for the Bunkering Easement is scheduled for January 1, 2017.
- TOTE will not have use of the Bunkering Easement Area.
- TOTE's Lease area and the associated rent will be reduced by the Bunkering Easement Area.
- TOTE will have limited use of Pipeline Easement area.
- TOTE is not required to maintain or repair the Easement Areas.

## **MANAGING MEMBERS ACTION ITEM**

First Amendment TOTE LOA

January 3, 2017

Page 2 of 2

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### **E. PROJECT OBJECTIVES**

- Advance the NWSA's clean air strategy.
- Support ECA compliance and TOTE's commitment to convert vessels to cleaner burning LNG fuel.
- Update TOTE's Lease as per the terms of the previously approved Pipeline Easement and Bunkering Easement.

### **F. FINANCIAL IMPLICATIONS**

#### ***Project Cost Details***

No cost to Northwest Seaport Alliance or the Port of Tacoma.

#### ***Financial Impact***

- No financial impact to The Northwest Seaport Alliance or the Port of Tacoma.
- PSE easement fees will offset reduced rent from TOTE.

### **G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS**

Non-approval of the TOTE Lease Amendment will create conflicts between the current TOTE Lease and the previously approved Pipeline Easement and Bunkering Easement agreements regarding rent payment, use, and maintenance responsibilities.

### **H. ATTACHMENTS TO THIS REQUEST**

Exhibit showing Pipeline Easement and Bunker Easement locations.