

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item
Date of Meeting

8D
June 6, 2023

DATE: April 17, 2023

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tong Zhu Chief Commercial and Strategy Officer

Project Manager: Erin DeBroux, Sr. Real Estate Manager

SUBJECT: First Amendment to the Terminal 46 USCG Short-term Lease Agreement

A. ACTION REQUESTED

Request Managing Members of The Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to approve the First Amendment to Lease between The Northwest Seaport Alliance and United States Coast Guard (USCG) at Terminal 46, short-term lease agreement for expanded use.

B. SYNOPSIS

The USCG requires expansion of its use of their Terminal 46 (T-46) premises to include maintenance activities required to maintain two existing cutters soon to be moored at Terminal 46 for their Pier 36 slip widening and dredging project. At the time of negotiation of the short-term lease agreement at T-46, the parties anticipated that an amendment would be needed in the future to allow for this expanded use.

C. BACKGROUND

The NWSA and USCG entered into a short-term lease dated July 12, 2022 ("Lease") in support of the USCG Base Seattle dredging and remediation of Basin 36 and widening of Pier 36 projects. The purpose of this Lease includes relocation of operations housed in temporary structures and moorage of two cutters on the T-46 wharf.

As a part of the USCG contracting requirements USCG is required to secure a lease agreement for the premises prior to securing a contract for the work to set up their

temporary operations. USCG's use was initially restricted to non-Industrial Stormwater General Permit (ISGP)-triggering activities with the understanding that its future use of the premises would require an ISGP permit, and rental rate reduced temporarily. Once the slip widening and dredging project commences relocation of its operations and cutters to T-46 will occur requiring maintenance activities and general logistics support of two cutters along the Wharf along with the setup of temporary support mobile units, operation and support tents and utilities to support displaced USCG staff. Any and all requirements for the ISGP permit and stormwater requirements will be borne by the USCG. As a result of the expanded use, the rental rate was increased retroactive to the Commencement Date at the current full prospectus rental amount.

The following Terms have been revised:

Base Rent (Section 3.1)	Retroactive to the Rent Commencement Date, July 7, 2022, the Base Rent shall be increased to the full Prospectus rent allowed from \$3,037,500 = \$253,125 per month to \$3,375,000.000 = \$281,250.00 per month.
Use of Premises (Section 4.1)	The use shall be amended to include: the dockage, maintenance activities and the general logistics support of two cutters along the wharf. In addition, the setup of temporary support mobile units, operation and support tents and the set-up of utilities to support the displaced USCG staff related to the dredging and remediation of Basin 36 and widening of Pier 36.
Stormwater Management (Section 12.8)	Amended to remove restrictions related to maintenance activities. USCG shall be responsible for all stormwater requirements, permits, and best management practices.

D. FINANCIAL IMPLICATIONS

There is no substantive change to the financials as approved by the Managing Members for the Basic Lease Agreement.

E. ATTACHMENTS TO THIS REQUEST

- Executed First Amendment to the Terminal 46 USCG Lease Agreement

F. PREVIOUS ACTIONS OR BRIEFINGS

- July 6, 2022, Managing Member Approval of the Terminal 46 USCG Short-term Lease Agreement