

T46 First Amended and Restated Crane ILA between Port of Seattle and NWSA

T46 Crane Maintenance Project



THE NORTHWEST
SEAPORT ALLIANCE
SEATTLE + TACOMA

Presenter Name: Jennifer Maietta
Director, NWSA Real Estate

ACTION REQUESTED

First Amended and Restated Crane ILA between Port of Seattle and NWSA

Dual Vote Required:

Request Managing Members of The Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to approve the First Amendment to the “Interlocal Agreement between the Port of Seattle and The Northwest Seaport Alliance Regarding The Northwest Seaport Alliance’s Use of Port Owned Crane” (Crane ILA) first entered into July 13, 2021, to incorporate the access, repair, certification and all on-going maintenance of cranes 82 and 83 into the Crane ILA.

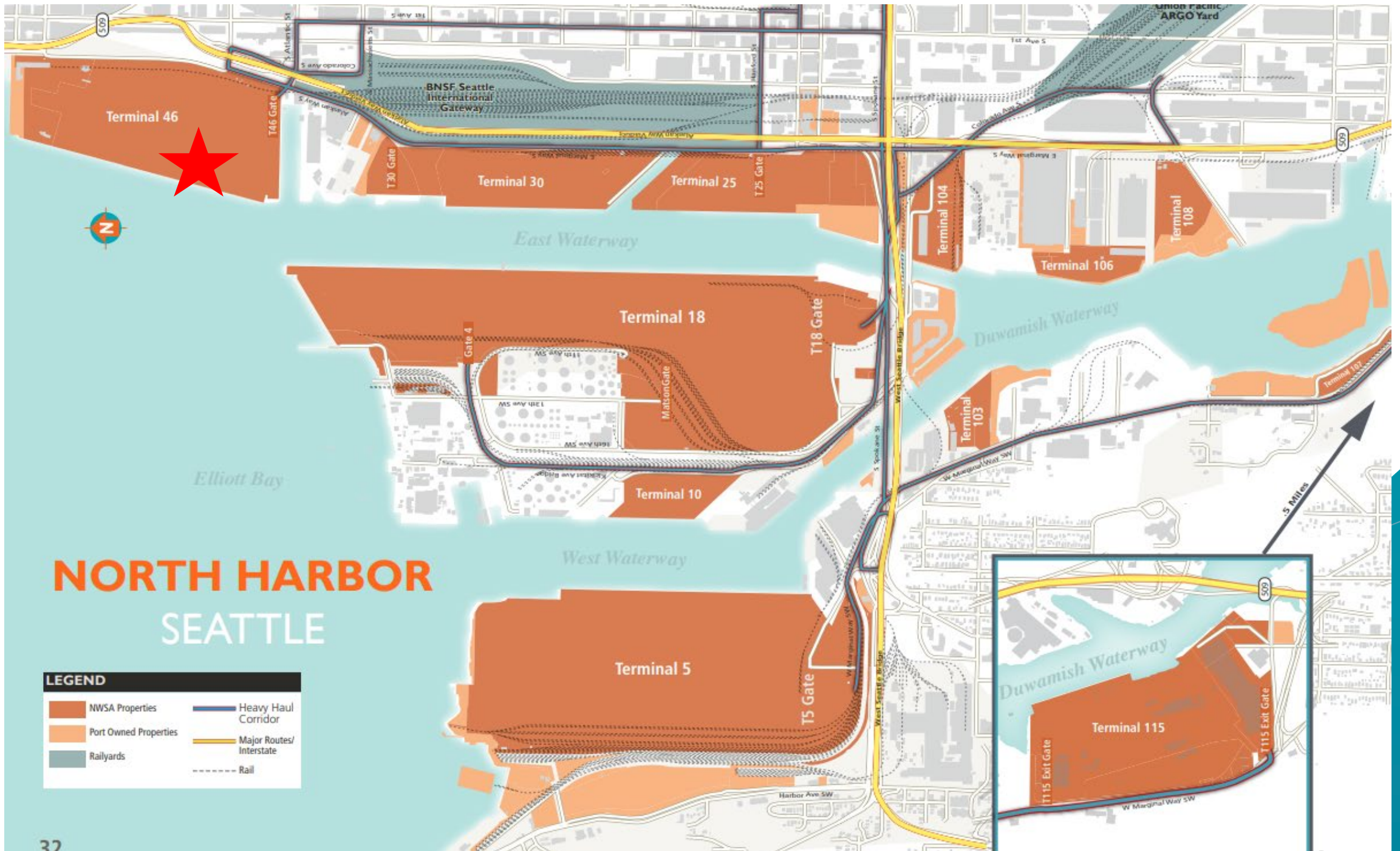
Request Commissioners of the Port of Seattle (POS) authorization for the Executive Director or their delegate to approve the First Amendment to the “Interlocal Agreement between the Port of Seattle and The Northwest Seaport Alliance Regarding The Northwest Seaport Alliance’s Use of Port Owned Cranes (Crane ILA) first entered into July 13, 2021, to incorporate the access, repair, certification and all on-going maintenance of cranes 82 and 83 into the Crane ILA.

ACTION REQUESTED

T46 Crane Maintenance Project:

As referenced in NWSA Resolution No. 2020-02, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

Request project authorization in the amount \$2,150,000 for a total authorized amount of \$2,200,000, for work associated with the T46 Crane Maintenance, Master Identification No. N10106.



NORTH HARBOR SEATTLE

LEGEND

 NWSA Properties	 Heavy Haul Corridor
 Port Owned Properties	 Major Routes/ Interstate
 Railyards	 Rail





Crane ILA Background

- In 2019 Port of Seattle purchased the three ZMPC cranes from Total Terminals International, LLC at a cost of \$989,000.
 - July 13, 2021, The NWSA and POS entered into the Crane ILA transferring the repair, certification and all on-going maintenance of Crane 80 from POS to NWSA.
 - Subsequently the NWSA transferred the repair, certification and all on-going maintenance responsibilities to Pacific Maritime Association (PMA) through a lease agreement.
- First Amended and Restated ILA would transfer the repair and certification of Cranes 81 and 82 from POS to the NWSA.
- NWSA is actively soliciting market interest for a one-berth, 65-acre facility. Thus far, five parties have expressed interest. Staff intends to advance negotiations with the selected party and review a draft term sheet with the Managing Members in October.

First Amendment to the Crane ILA Terms:

The base terms of the Crane ILA are restated with the following terms with substantive changes:

Term	Description
Permitted Use of Crane & Crane Premises	<ul style="list-style-type: none">• NWSA may access and use the Cranes as currently located on the Terminal crane rail system together with the associated Terminal 46 dock and wharf area.• Right to reasonable access and the right to lease, sublease, license, and/or permit occupancy and/or otherwise assign NWSA's rights under this ILA.• NWSA's right to use the Cranes for any other purpose beside the Permitted Use is subject to agreement by POS, which agreement shall not unreasonably be withheld or delayed.
Rent & Repairs	<ul style="list-style-type: none">• NWSA will be responsible for the repair, certification and all on-going maintenance of the Cranes.• NWSA shall pay to the POS rent in the amount of \$27,500 per month (\$330,000 annually) for 48 months for a total not to exceed \$1,320,000.

First Amendment to the Crane ILA Terms:

The base terms of the Crane ILA are restated with the following terms with substantive changes:

Term	Description
Effective Date & Termination	<ul style="list-style-type: none">• The following condition to termination has been added: In the event the NWSA enters into a lease with a cargo tenant and negotiates transfer of ownership of the Cranes and repair and maintenance responsibility to the tenant.<ul style="list-style-type: none">• The ILA shall terminate to coincide with the transfer of the ownership of the cranes to the tenant; and• Any remaining compensation of this ILA is paid to POS



T46 Crane Maintenance Project Background

- A crane condition survey of all three cranes (Cranes 80, 81 & 82) was completed March 26, 2021, which identified maintenance and repair items that are required to make the cranes operational
- Maintenance work has been completed on Crane 80 to support PMA's use of the crane for their training activities
- The T46 Crane Maintenance project will complete the maintenance items for Cranes 81 and 82 and complete all necessary certifications and inspections

T46 Crane Maintenance Project

Scope of Work

The scope of work includes:

- Correct, remedy, and/or eliminate all known defects identified within the March 2021 Assessment
- Maintenance of main hoist gearboxes, trolley rails, and wheels
- Medium voltage disconnects, wire ropes, and load cells
- Clean DC motors and service fire extinguishers
- Light repairs and maintenance
- Additional maintenance not previously identified that would be required to recertify the cranes to operational state

T46 Crane Maintenance Project

Scope of Work

The scope of work includes:

- Reinstallation of parts previously removed to aid repairs of Crane 80
- Certifications including WISHA, elevator, and air compressor
- Misc. inspections required for operation
- Other items outlined in crane survey report

T46 Crane Maintenance Project Schedule

Activity	Timeframe
Procurement for Vendor Start	September 9, 2022
Issue Purchase Order	October 11, 2022
Crane 81 Maintenance Complete	February 1, 2023
Crane 82 Maintenance Complete	May 3, 2023



Financial Implications

Rent, per Crane ILA: NWSA will pay POS rent in the amount of \$27,500 per month (\$330,000 annually) for 48 months for a total not to exceed \$1,320,000. The first payment shall be made on October 1, 2022, and the last payment will be due September 1, 2026.

Crane Maintenance Project: The 2022 – 2026 Capital Improvement Plan (CIP) did not include any funding for the maintenance of the cranes. The CIP will be updated to include \$2,200,000 for the crane maintenance project.

Total financial implications of this request: \$3,520,000

- The repair of the cranes is required for any potential marine cargo operation and the timely repair in order to commence operations in Q1 of 2023.
- Additionally, assuming the use of Crane 80 for cargo purposes; the NWSA is obligated under the lease between the NWSA and PMA to reimburse PMA for the unamortized cost of the repairs incurred to repair and certify crane 80 (+/- \$660K). This reimbursement would be requested only if a new lease is implemented for the available acres.

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