

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 9A
Meeting Date: May 5, 2026

DATE: April 27, 2026
TO: Managing Members
FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial and Strategy Officer
Project Manager: Erin Light, Sr. Real Estate Manager

SUBJECT: Second Amendment to United States Coast Guard Lease at Terminal 46

A. ACTION REQUESTED

Request Managing Members of The Northwest Seaport Alliance (“NWSA”) authorization for the Chief Executive Officer or their delegate to authorize a Second Amendment to the short-term lease with the United States Coast Guard (“USCG”) for a portion of Terminal 46 (“T46”) in support of their Base Seattle Pier 36 basin dredging and environmental clean-up project.

B. SYNOPSIS

The NWSA entered into a short-term lease with USCG effective July 7, 2022 (the “Lease”) for the purpose of allowing USCG to remain operational while relocating existing ice cutters and displacing staff to complete the work necessary (deepening and widening of the Pier 36 basin and slip) to accommodate the arrival of the USCG’s new Polar Security Cutter (“PSC”) fleet. The Lease has a termination date of June 30, 2026, however the Pier 36 deepening and widening work is not yet complete. In support of this ongoing work, USCG has requested additional time to utilize a portion of T46 on generally the same Lease terms and conditions. A Second Amendment to Lease is proposed which provides use of T46 for one additional year plus one, one-year option to renew.

C. BACKGROUND

The state of Washington has historically hosted six large cutters – three polar icebreakers and three multi-mission cutters. Base Seattle will eventually have only one in operation because of past and planned decommissioning of older ice breakers. Two of the existing ice breakers will be decommissioned, but the USCG Healy will remain. The introduction of PSCs to Base Seattle is intended to replace two older heavy polar icebreakers and add one vessel to the fleet.

The receipt of the new PSCs will continue to support the USCG's mission and support activities conducted through Base Seattle. The replacement of current ageing ice breakers with new PSCs, necessitates the Pier 36 basin dredging and environmental clean-up project. The current configuration of the Base at Pier 36 has remained largely unchanged since its establishment nearly 50 years ago, and it is insufficient to support modern cutters.

This environmental clean-up effort requires the USCG to completely vacate Pier 36 to accomplish the work efficiently and effectively. This vacation requires alternative berth space to dock two cutters and yard space to erect tents for displaced staff and storage and lay down space. The length of the lease is dependent on the timelines required to complete the dredging and widening work, some of which requires working within in-water work windows. USCG is targeting spring 2028 for completion of the upgrades needed to make Pier 36 available for cutter berthing, including widening of the slip, demolition of an existing building, and stabilization of the waterfront. Contract awards remain pending for the future phases of Pier 36 work.

To facilitate the above-described work, the NWSA and USCG entered into the Lease, which provided for an initial three-year, three-month term with the option to extend an additional nine months for a total four-year duration. Under the Lease, USCG was permitted to utilize T46 to dock two cutters along the wharf, set up temporary mobile units and tents along with the set-up of utilities to support the temporary mobile

structures for the accommodation of displaced USCG staff related to the dredging and remediation of Basin 36 and widening of Pier 36.

The current Lease term expires June 30, 2026, however, the work is not completed and USCG has requested to extend their lease at T46 in continued support of their project.

The key terms of the Second Lease Amendment are as follows:

Term	1 year commencing July 1, 2026, plus 1 additional option to extend for 1 year upon mutual approval of the NWSA and USCG
Rent	Current Base Rent of \$281,250 per month shall be increased effective July 1, 2026 and every twelfth (12th) month thereafter by 5% until termination of the Lease for a total rental cost of \$7,264,687.50 over the additional two-year term.
Use	Expanded to include additional ancillary uses directly related to USCG business, including small boat storage and operations, additional tents (administrative and dining), community related emergency response activities, and hosting annual Seafair event.
Maintenance	USCG responsible for all maintenance and repairs.

D. FINANCIAL IMPLICATIONS

Financial Impact

This Second Amendment will provide additional total revenue in the amount of \$7,264,687.50 over the potential two-year term. This is in addition to the \$13,500,000 the NWSA earned during the original 4-year lease. The total discounted value of this lease (original plus extension) is \$17,062,862.

The NWSA does not incur any additional costs through this Second Amendment.

E. ATTACHMENTS TO THIS REQUEST

- Executed Second Amendment to the Terminal 46 USCG Lease Agreement

F. PREVIOUS ACTIONS OR BRIEFINGS

- June 6, 2023, Managing Member Approval of the Terminal 46 USCG First Amendment to the Short-Term Lease Agreement which expanded the approved use to permit maintenance activities and increase rent.
- July 6, 2022, Managing Member Approval of the Terminal 46 USCG Short-term Lease Agreement

SECOND AMENDMENT TO LEASE
BETWEEN
THE NORTHWEST SEAPORT ALLIANCE
AND
UNITED STATES COAST GUARD
AT
TERMINAL 46

THIS SECOND AMENDMENT TO LEASE is made as of 15 April 2026, by and between THE NORTHWEST SEAPORT ALLIANCE, a Washington port development authority ("NWSA"), as agent/licensee for the PORT OF SEATTLE, a Washington municipal corporation, collectively "the Lessor," and THE UNITED STATES COAST GUARD ("Government"), under the authority of 14 U.S.C 501 (e), hereinafter called "Lessee," jointly together known as the "Parties."

W I T N E S S E T H :

WHEREAS, the Parties entered into a term lease agreement dated July 12, 2022, hereinafter called "Basic Lease," covering certain premises and activities by Lessee at Terminal 46, Seattle, Washington, which was subsequently amended by a First Amendment to Lease executed June 20, 2023, and was further extended on October 1, 2025 to extend the term to June 30, 2026; and

WHEREAS, the Parties now wish to further revise the Basic Lease as previously amended, to extend the Term, increase the Rent, and modify the Use and Maintenance and Repair provisions.

NOW THEREFORE, in consideration of their mutual promises, the Parties hereby agree as follows:

1. Section 2 of the Basic Lease is hereby deleted in its entirety and replaced with the following:

2.1. Lease Term. This Lease shall Commence July 7, 2022 and terminate June 30, 2027.

2.2. Conditional Option to Extend. Upon mutual approval of the Parties, and if Government is in compliance with the terms and conditions of this Lease, Government has the option to request an extension of the Term of this Lease for one (1) additional term of one (1) year. In the event Government wishes to extend the Term of this Lease, Government shall provide Lessor with written notice of Government's request to exercise such option no later than one hundred eighty (180) days prior to the expiration of the Lease Term.

2. Section 3.1 of the Basic Lease is hereby deleted in its entirety and replaced with the following:

3.1 Base Rent. Commencing on July 1, 2026, (the "Rent Commencement Date"),

Government agrees to pay the Lessor as annual rent (the "Base Rent") for the Premises the sum of THREE MILLION FIVE HUNDRED FORTY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$3,543,750), at the rate of \$295,312.50 per month in arrears, provided appropriations are granted by Congress.

Should the one year Conditional Option to Extend be exercised as set forth in Section 2.2, Base Rent shall increase by 5% effective July 1, 2027, and Government agrees to pay the Lessor as annual Base Rent for the Premises the sum of THREE MILLION SEVEN HUNDRED TWENTY THOUSAND NINE HUNDRED THIRTY-SEVEN AND 50/100 DOLLARS (\$3,720,937.50), at the rate of \$310,078.13 per month in arrears, provided appropriations are granted by Congress.

3. Section 4.1 of the Basic Lease is hereby deleted in its entirety and replaced with the following:

Government shall use the Premises for Government use and shall not use them for any other purpose without the written consent of the Lessor for the dockage, maintenance activities and the general logistics support of two cutters along the wharf, the setup of temporary support mobile units, operation and support tents and the setup of utilities to support the displaced USCG staff related to the dredging and remediation of Basin 36 and widening of Pier 36. Government may additionally use the Premises, as directly related to United States Coast Guard business, for small boat storage and operations, additional tents for uses including but not limited to administrative support and dining facilities, community related emergency response activities, and hosting the annual Seafair event, as further described on Exhibit D attached hereto and incorporated herein, subject to Government following the NWSA's standard tenant improvement process, as applicable, for any new uses that involve modification of the Premises, including but not limited to any activities that involve punctures to or cutting of the surface, such as tent anchoring. Notwithstanding the foregoing Government is not permitted to engage in any activities at the Premises which would trigger coverage under any Industrial Stormwater General Permit issued and administered by the Washington State Department of Ecology.

4. The Basic Lease is amended to include the following new section 6.1.2. and to include the language of Section 6.1.2. to the end of Section 16.4., which Section 16.4. is hereby restated in its entirety below:

6.1.2. Government is responsible for all financial costs of all maintenance repairs and responsibilities, inclusive of non-routine and structural repairs required for continued use and operation of the Premises, including but not limited to lighting repairs, seawall patching, pavement repairs due to subsurface water intrusion, and subsurface pipe repairs.

16.4. 48 CFR 552.270-6 Maintenance of Building and Premises-Right of Entry (as modified by the Parties).

Government shall maintain the Premises in good order, condition, and repair at all times, and conduct all necessary maintenance and repairs which may be necessary so that at all times the Premises are in good order, condition and repair. Further, Government shall maintain the Premises as is required for the Government's access to, occupancy,

possession, use and enjoyment of the premises as provided in this lease. Government is responsible for all financial costs of all maintenance repairs and responsibilities, inclusive of non-routine and structural repairs required for continued use and operation of the Premises, including but not limited to lighting repairs, seawall patching, pavement repairs due to subsurface water intrusion, and subsurface pipe repairs.

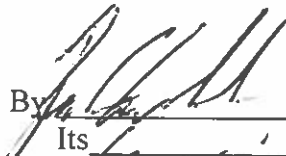
5. Except as expressly amended herein, all provisions of the Basic Lease (as previously amended and extended) shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the day and year first above written.

LESSOR
NORTHWEST SEAPORT ALLIANCE
as agent for the Port of Seattle

LESSEE
UNITED STATES COAST GUARD

By _____
Its _____

By 
Its _____
PETER SPINNELLA

Notary to Second Amendment to Lease
with USCG
at Terminal 46.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 15th day of April, 2026, before me personally appeared Peter Spinnella, to me known to be the _____ of THE NORTHWEST SEAPORT ALLIANCE, the port development authority that executed the within and foregoing

EXHIBIT D
DESCRIPTION OF SEAFAIR EVENT, T46

Government may host the annual Seafair Event at T46, inclusive of the following activities:

Hosting of food vendors, operation of exhibition booths and related activities staffed by third-party businesses, moorage of vessels which may include United States Coast Guard and United States Navy vessels, and public access onto the Premises during the Seafair event. Seafair activities not stated herein are subject to separate written consent of the Lessor.

All Section 9 Insurance and Indemnity provisions apply to all Seafair event activities on the Premises, and Government shall to the fullest the extent and manner allowed by Federal Law, including the Federal Torts Claims Act (28 USC 2671-2680, as amended) the United States of America be liable for property damage, personal injury, or death arising out of the United States Coast Guard, and its contractors, subcontractors, agents, customers, employees, licenses and invitees, use of the Premises.

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**THE NORTHWEST
SEAPORT ALLIANCE**
SEATTLE + TACOMA

Presenter Name: Erin Light
Presenter Title: Sr. Real Estate Manager

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THE NORTHWEST
SEAPORT ALLIANCE
SEATTLE + TACOMA

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Background

- NWSA entered into short-term lease with USCG July 7, 2022
 - Allowed USCG to remain operational while relocating existing ice cutters and displacing staff to complete the work necessary (deepening and widening of the Pier 36 basin and slip) to accommodate the arrival of the USCG's new PSCs
 - Lease terminated June 30, 2026, however, Pier 36 deepening and widening work is not complete
- USCG requested lease extension in support of project
- A Second Amendment to Lease is proposed which provides 1 additional year plus 1, 1-year option to renew (mutual approval)

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Background



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Background

- Term: 1 year commencing July 1, 2026, plus 1 additional option to extend for 1 year upon mutual approval of the NWSA and USCG.
 - 180 days prior written notice from USCG required.
- Rent: Current Base Rent of \$281,250 per month shall be increased effective July 1, 2026 and every twelfth (12th) month thereafter by 5% until termination of the Lease for a total rental cost of \$7,264,687.50 over the additional two-year term.
- Use: Expanded to include additional ancillary uses directly related to USCG business, including small boat storage and operations, additional tents (administrative and dining), community related emergency response activities, and hosting annual Seafair event.
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Financial Implications

- This Second Amendment will provide additional total revenue in the amount of \$7,264,687.50 over the potential two-year term.
 - In addition to the the \$13,500,000 the NWSA earned during the original 4-year lease.
- Total discounted value of original Lease plus extension: \$17,062,862.
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