

Item No.: 7B_Supp
Date of Meeting: June 7, 2022



THE NORTHWEST
SEAPORT ALLIANCE
Gateway to Solutions

First Amendment to Lease Pacific Maritime Association T46

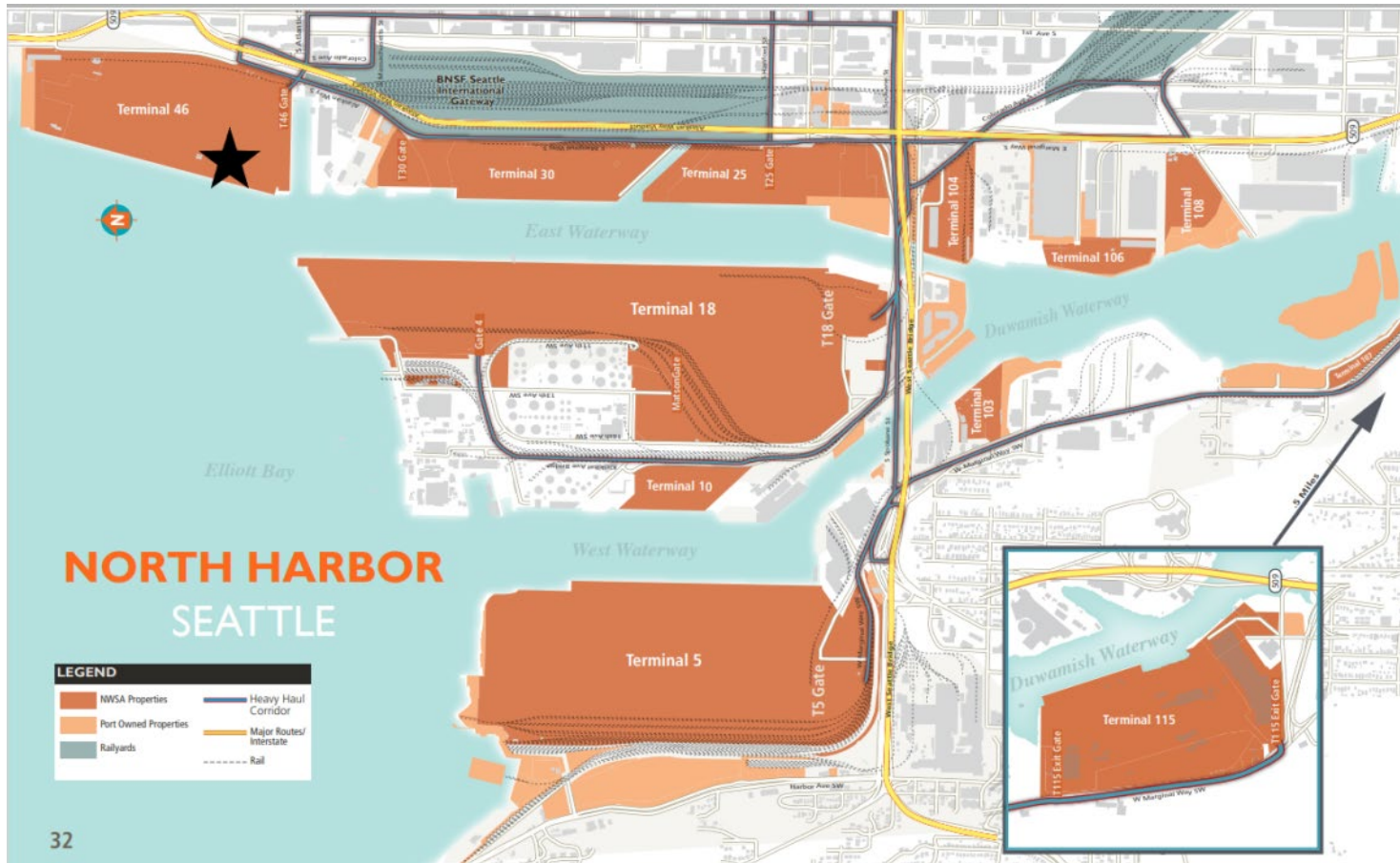
Presenter: Erin DeBroux
Title: Sr. Real Estate Manager

Action Requested

Request Managing Members of The Northwest Seaport Alliance authorization for the Chief Executive Officer or their delegate to execute a First Amendment to Lease with Pacific Maritime Association at Terminal 46.



Location



Background

- The PMA provides on-going labor training which provides services supporting the NWSA gateway's customers and terminal operators.
- The PMA entered into a lease for a portion of T46 July 1, 2021 to consolidate its regional training facilities.
- The PMA utilizes yard, office, and Crane 80 to provide training and other services to longshore workers, clerks, foremen and casuals.
- Anticipated occupancy on the terminal by USCG will displace existing tenant yard premises requiring relocation but not reduction of the PMA's yard area.
- Addition of 704 SF on-dock office space to be added

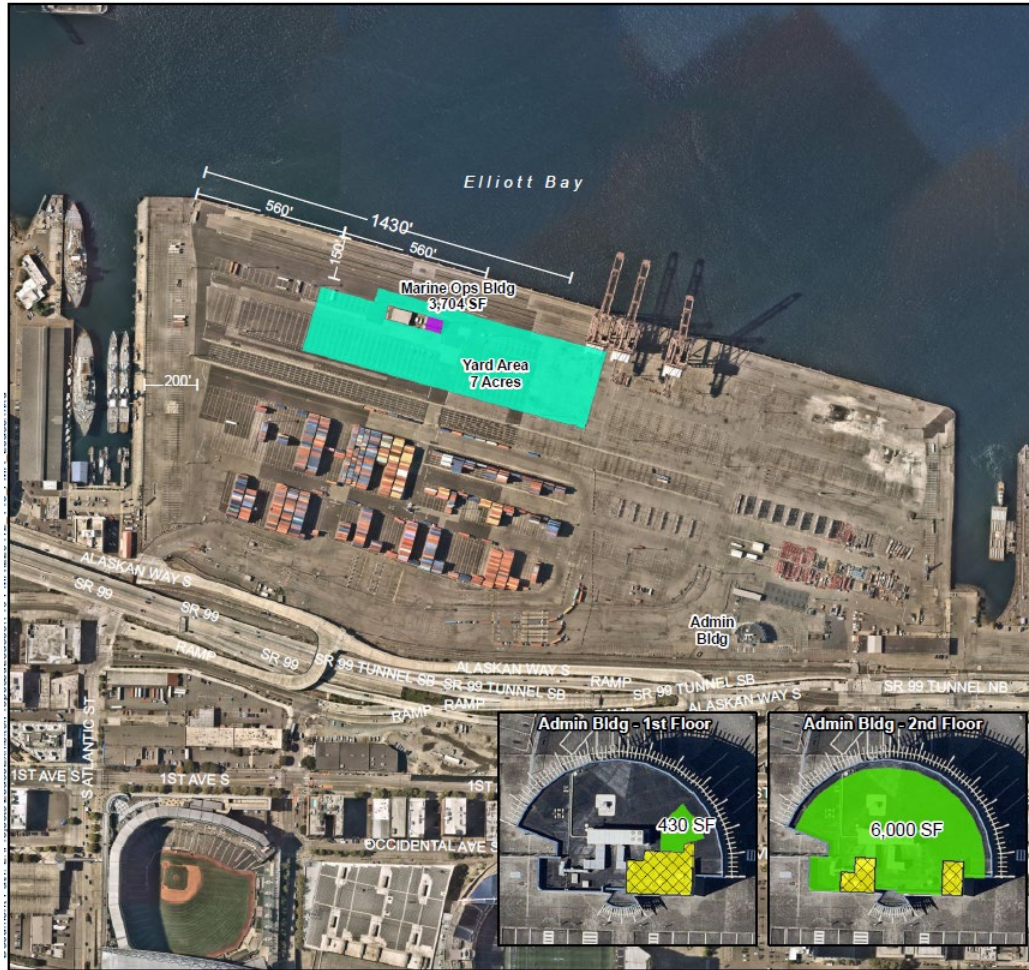


Lease Amendment – Key Terms

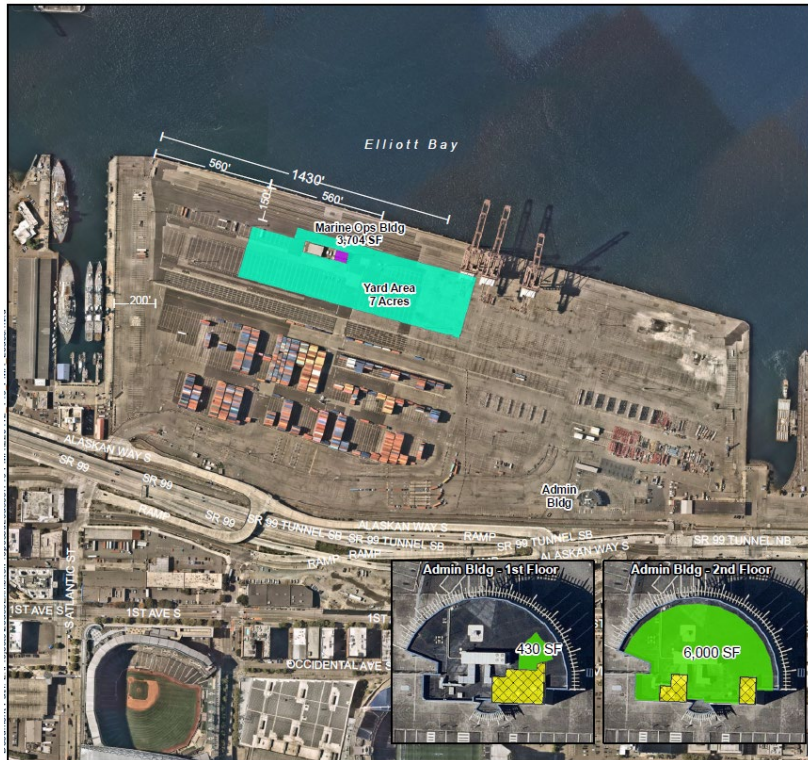
- Relocation of 7 acres of yard space and addition of 704 SF of on dock office space to the lease
- Total Premises are as follows:
 - Approximately 304,920 square feet (7 Acres) of yard space
 - Approximately 500 square feet parking area for lashing training
 - Approximately 6,000 square feet of office space located on the Second Floor of the Administration Building
 - Approximately 430 square feet of space located on the first floor of the Administration Building
 - Approximately 3,704 square feet of office space located on the first floor of the Marine Operations Building.



Site Plan



Site Plan Comparison



Lease Amendment – Base Rent & Security Deposit

Base Rent: Increase from \$103,413.50 per month to **103,941.50** per month as shown below:

Yard Rate:

- On Terminal:
\$.30 psf/Mo. = \$91,476/Mo = \$1,097,712/Yr.
- Lashing Training Area/Parking lot:
\$.30 psf/Mo. = \$150/Mo = \$1,800/Yr.

Building Rates:

- Administration Office:
Second Floor: \$18.00 psf/Yr. = \$9,000/Mo = \$108,000/Yr.
First Floor: \$15.00 psf/Yr. = \$537.50/Mo = \$6,450/Yr.
- Marine Operations (on dock):
\$.75 psf/Mo Gross = \$2,778/Mo = \$33,336/Yr.

Security Deposit: Increased from \$1,050,226 to \$1,055,588 (9 mo base rent + LET)



Financial Implications

- This First Amendment to Lease will increase monthly revenue from \$103,413.50 to 103,941.50 with annual increases by CPI-U each July 1st.
- Annual revenue: \$1,247,298
- The estimated net present value for the 10-year lease is \$9.8 million.
- No capital expenditures associated with this amendment.



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