

Item: 6F

Date: 11/19/24

Maritime 253 Skills Center

1st Amendment to Ground Lease Interlocal Agreement

Debbie Shepack

Sr. Director, Real Estate

Port of Tacoma Commission Meeting

November 19, 2024



Request authorization for the Executive Director or his designee to enter into a 1st Amendment to Ground Lease/Interlocal Agreement between the Tacoma School District and the Port of Tacoma for the premises located at 1203 East D Street, Tacoma WA (also known as Port Parcel 94), to amend the terms of the lease agreement to address construction responsibilities and payment for certain capital site improvements associated with the development of the South Puget Sound Maritime Skills Center

- The Port and Tacoma Schools have partnered to develop a Port Maritime Center Campus to include a Port Business Center and Maritime 253 Skills Center.
- Ground Lease Interlocal Agreement:
 - On 5/21/2024 Commission approved the Ground Lease ILA to establish the leased premises for the Maritime Skills Center
 - This 1st Amendment to the Ground Lease Interlocal Agreement establishes the Port's deliverables and the District's monetary commitment to a Capital Site Improvement contribution

Alignment with Port Strategic Plan



Economic Vitality



Invest in assets that support living-wage job creation throughout Pierce County.



Partner with regional organizations to facilitate career development and business growth in Pierce County.



Organizational Success



Plan, design, and construct a new Port staff workspace that also provides spaces for community engagement and mixed-use opportunities.



Foster an organizational culture that attracts, develops and retains a diverse, high-performing, and engaged workforce.

Parcel 94 – Site of Maritime 253



Maritime 253 Lease Premises – 30,830 S.F. Building



Maritime | 253 skills center



Joint Use and Non-Exclusive Use Areas

- Areas shaded in gray are considered non-exclusive use areas
- The area shaded in light blue is designated Port parking
- Vision for public access to shoreline and waterfront
- Future Joint Use Agreement to be drafted between parties



1st Amendment to Ground Lease ILA

- Establishes the Port's obligation under the lease amendment to construct all site improvements such as electricity, storm and sanitary sewer as well as off-site improvements, parking lots and driveway access
- All safety improvements and trackage associated with the crossing rights required by BNSF
- Commits the District to a capital site contribution of \$5.5M for the construction of the site improvements described above



Recapping Ground Lease Terms

Leased premises

- 30,830 sq. ft. of land for construction of an academic building
- Non-exclusive use of 3-acre parking area, bus drop off area, dock and public spaces
- Joint Use Agreements will cover use and maintenance costs of non-exclusive areas

Use

- Construction and operation of a Maritime 253 academic building

Term

- 50 years, with option for 30-year extension (by mutual agreement and subject to renegotiation of one-time payment towards new or existing capital improvements or payment of fair market rent determined by MAI appraisal)

Capital Contribution from TSD to Port

- In lieu of monthly rent, \$5.5 M capital contribution to site improvements
- District to pay approximately \$40,000,000 for the Maritime Skills Center

Security Deposit:

- None Required

Conditions:

- Lease is conditioned upon satisfaction of Lessee obtaining all necessary permits and approvals
- Lessor obtaining a Crossing Right over the BNSF easement
- Execution of a Joint Use Agreement

Utilities & Maintenance

- Lessee is responsible to pay utilities and maintain their academic building

Environmental Requirements:

- Environmental Requirements associate with prior/on-going remediation. Port assumes all obligations/responsibility. Lessee shall not disturb soil, groundwater etc., without prior written permission from Lessor

Request authorization for the Executive Director or his designee to enter into a 1st Amendment to Ground Lease/Interlocal Agreement between the Tacoma School District and the Port of Tacoma for the premises located at 1203 East D Street, Tacoma WA (also known as Port Parcel 94), to amend the terms of the lease agreement to address construction responsibilities and payment for certain capital site improvements associated with the development of the South Puget Sound Maritime Skills Center



Thank You

Questions & Discussion



Debbie Shepack
Sr. Director, Real Estate
dshepack@portoftacoma.com