

Item: 6B

Date: 5/21/24

Maritime 253 Skills Center

Ground Lease Interlocal Agreement (2nd Reading)

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Port of Tacoma Commission Meeting
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Second Reading: Action Requested

Request authorization for the Executive Director, or his designee, to enter into a Ground Lease Interlocal Agreement (ILA) between the Tacoma School District ("District") and the Port of Tacoma ("Port") for a 50-year lease of the premises located at 1203 East D Street, Tacoma, WA.

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.

- 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.
- Current ILA and amendments:
 - Design–Build process has been approved previously by Commission through 60% design
 - Approval of the Ground Lease ILA to establish the leased premises for the Maritime Skills Center

Parcel 94



TSD Lease Premises – 30,830 S.F. Building

Maritime | 253 skills center



Joint Use Agreement: Non – Exclusive Use Areas

- Areas shaded in gray are considered non-exclusive use areas
- Non-exclusive use areas will be contained in a separate Joint Use Agreement ("JUA")
- JUA will be a separate exhibit to the Ground Lease ILA



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

- Estimated cost share is \$5.5 M; final cost share and payment terms TBD

Ground Lease Terms

In lieu of monthly rent, TSD contribution to capital site improvements:

Improvement	User	TSD Contribution
Utilities (from street to premises)	Shared Port/District	\$1M
Parking Lot (3 acres total) Bus turn around areas Shared main entrance, public areas	TPS non-exclusive; shared with the Port and Public	\$3M
BNSF Rail Crossing Safety Upgrades	Shared Port/District	50% of actual cost of required safety improvement

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

Outstanding Items

- Method of reimbursement to Port
- Construction timelines and utility corridor build, asphalt and paving timelines
- Maintenance of joint use area (i.e., asphalt paving and resealing) & Landscaping
- Actual costs of BNSF safety improvements
- Future amendments to Ground Lease



Request authorization for the Executive Director to enter into a Ground Lease Interlocal Agreement (ILA) between the Tacoma School District and the Port of Tacoma, for a 50-year lease of the 30,830 square foot premises for the academic building along with a Joint Use Agreement referenced in the lease as ("Exhibit B") for non-exclusive use of the three-acre parking area and joint use areas, located at 1203 East D Street, Tacoma, WA.



Thank You

Questions & Discussion



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