

Request for Proposals – Terminal 18



**THE NORTHWEST
SEAPORT ALLIANCE**

SEATTLE + TACOMA

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1. Introduction and Background

THE NORTHWEST SEAPORT ALLIANCE

The Northwest Seaport Alliance (NWSA) is a port development authority in Washington State acting on behalf of the Port of Seattle and Port of Tacoma. It is the first port development authority of its kind in North America.

The NWSA is governed by the two ports as equal members (“Managing Members”), with each Managing Member acting through its elected commissioners. The Ports remain separate entities and retain ownership of their respective assets, with management and operations of marine cargo terminals licensed to the NWSA.

The NWSA manages and operates a total of 8 international and domestic container terminals in the Seattle (3) and Tacoma (5) harbors on behalf of the homeports, along with a number of other cargo facilities that support non-container (breakbulk, bulk, RO/RO, autos) and intermodal cargo operations.

CARGO OPERATIONS

The NWSA is North America’s 7th largest container gateway and a primary West Coast gateway for the Transpacific trade. It is also a major gateway to Alaska and Hawaii; more than 80% of trade between Alaska and the lower 48 states moves through NWSA harbors. In 2023, the NWSA handled nearly three million TEUs of containerized cargo.

Total Container Volume 2023 (TEUs)

	EASTBOUND	WESTBOUND	TOTAL
International	1,154,963	1,081,804	2,236,767
Domestic (Alaska/Hawaii)	351,796	385,854	737,649
TOTAL	1,506,758	1,467,658	2,974,416

International ocean carriers offer 15 international vessel services via NWSA terminals with direct calls at 46 major trading ports in NE and SE Asia, Latin America, Europe & The Mediterranean, Oceania, and the Middle East. Seattle-Tacoma is also the closest US container gateway to Asia, making it a frequent choice for first and last port of call transpacific ocean services because of the shorter ocean transit times.

The NWSA continues to grow in importance for importers as a location for warehousing and distribution activities. NWSA terminal facilities are located within a short distance of the 2nd largest concentration of industrial warehousing on the West Coast and part of a robust regional supply chain eco-system of over 100 transload warehouses and other logistics service providers. Efficient on-dock rail facilities and rail service via two Class 1 railroads also make the NWSA a primary gateway for intact intermodal cargo destined for major distribution centers and consumer markets in the Midwest and beyond.

The NWSA is the nation’s leading export gateway for a variety of dry and refrigerated containerized agricultural commodities. The NWSA is the 2nd largest U.S. export gateway for refrigerated containerized cargo (7th largest overall) due to its proximity to Eastern Washington agricultural markets and the abundance of warehouse capacity for storage of frozen and chilled commodities near port

facilities (2023). The NWSA also has more near-terminal transload capacity for agricultural products than any other U.S. West Coast port gateway. Export volumes are supported by a growing network of inland rail hubs connecting the Port with agricultural shippers in Minot, ND, Pocatello, ID, and Wallula, WA.

Terminal 18 Background

The subject property for this Request for Proposal is a portion of Terminal 18 (hereinafter “Terminal 18”, “T-18” or the “terminal” or the “site”) being a 1.34-acre primary site with the possibility to expand into a secondary site for a total of 1.98 acres area located on Harbor Island. The primary site includes 17,055 square feet of building space and 41,559 square feet of industrial yard. The secondary site is 27,755 square feet of yard and is located adjacent to the primary site (“off-site yard”). The primary site offers three separate buildings, two of which are improved for rail access via a raised concrete platform running adjacent to the railroad tracks and allowing for the off-loading of train cars directly into these buildings. T-18 is conveniently located for freight receiving and distribution via both truck and rail modes.



T-18 was developed to support the surrounding maritime cargo business and NWSA envisions the entire T-18 site as a maritime support yard; however, other water related cargo uses will be considered.

The NWSA’s primary objectives for the Seattle North Harbor include:

- Develop strategic terminals consistent with the NWSA 10-year strategic business plan to support future vessel needs in a financially and environmentally sustainable manner.
- Realign container cargoes while keeping terminal operations fluid.

- Retain, grow and diversify long-term cargo portfolio and volumes.
- Retain and grow maritime, manufacturing and export jobs.

Offering Highlights

Unique Opportunity

Improved yard space situated within one of the largest container gateways in North America available for long-term use. The world's largest shipping lines connect our harbors with major ports throughout the Asia Pacific, Oceania, Latin America, the Mediterranean, Middle East, Europe, Alaska and Hawaii. As the closest U.S. port to Asia and frequent first and last port of call on international ocean services, shippers can count on faster transits and greater flexibility from NWSA routings. The gateway also handles more than 80% of containerized ocean shipments between the lower 48 states and Alaska and we are a primary gateway for cargo to Hawaii.

Prime location within the Puget Sound

Terminal 18 is located on Harbor Island with easy access to I-5 and SR 99 for north and south-bound travel, and I-90 for eastbound travel; Terminal 18 is within 5 miles of Boeing Field and 15 miles to Seattle-Tacoma International airport and other major logistics operations.

A premier port complex investing for the future

The NWSA is making multi-million-dollar investments in its container terminals and infrastructure to handle "Ultra Large Container Vessels." With the development of Terminal 5 complete, more business is being attracted to the gateway. Further investments are being made to promote cargo growth including more big ship ready terminals, expanded rail connections and technology solutions. The region also supports easily accessible intermodal choices and transload warehouses with skilled labor.

2. RFP Overview and Site Specifications

This is a Request for Proposals to lease Terminal 18 as a maritime support yard and/or other marine-industrial business in support of the NWSA.

The Northwest Seaport Alliance Vision

The long-term vision for Terminal 18 is to support water-borne marine cargo and/or other marine-industrial business in support of the NWSA gateway. As part of its 10-year strategic business plan, the NWSA seeks to diversify its business portfolio through a long-term lease with a business partner in good financial standing, experience with water-borne and/or marine industrial businesses and a commitment to strengthening and growing the Pacific Northwest economy.

Terminal Overview

Address 1830 13th Ave SW
Seattle, Washington 98134

Terminal Area

Approximately 1.34 acres of paved yard and building space are available for lease with the potential to include an additional 27,755 square feet of paved yard. The primary site contains approximately 17,055 square feet of building space and 41,559 square feet of industrial yard space. The secondary potential expansion area is 27,755 square feet of yard space located adjacent to the main site to the south along SW Florida St, just east of 13th Ave SW.

Terminal Highlights

- The improved site includes lights, fencing, and pavement.
- Rail access for offloading rail cars directly into Buildings 2 and 3.
- Located close to Terminals 5, 18, and 30.
- Accessible to Seattle's heavy-haul corridor.
- Within Foreign Trade Zone #5.

Aerial showing available premises for lease.



Zoning

The site property is zoned IG1 U/85 (General Industrial 1) by the City of Seattle. This zone permits a variety of commercial, industrial and logistics uses, including but not limited to, warehouse, manufacturing and associated storage.

Transaction Type

Available for lease to a single user or operator for a lease term of one to ten years. The site will be leased in “as is, where is” condition. The NWSA is willing to consider a longer-term lease should significant capital investment be required of the Respondent.

SITE CHARACTERISTICS

Site Description and Characteristics

Yard

- Asphalt pavement.
- Fencing perimeter on off-site yard and north side of primary site.
- Yard lighting.
- Approximately 36 parking stalls adjacent to buildings.
- Generally level and at street grade.
- Approximately 41,559 square feet of yard at primary site and 27,775 square feet of off-site yard at secondary site as a potential expansion area.

Buildings

The site has three buildings totaling 17,055 square feet as detailed below.

Building	Total Building Size	Description
Building 1	4,650 ft ²	<ul style="list-style-type: none">• Located on north side of primary parcel• Concrete block building• Small reception and breakroom• Mezzanine area with potential for office space• Primarily usable for warehouse space
Building 2	3,125 ft ²	<ul style="list-style-type: none">• Located in middle of primary parcel• Metal building with steel frame• Warehouse space• Four double 12’ roll up doors
Building 3	9,280 ft ²	<ul style="list-style-type: none">• Located on south side of primary parcel• 900 square feet of office area• Metal building with steel truss frame• Upstairs mezzanine• Warehouse contains eight 12’ roll up doors

Rail

The east side of the property has a covered, raised concrete platform which runs adjacent to the railroad tracks and allows for off-loading trains directly into buildings 2 and 3. Building 1 has access to the platform but no direct offloading ability.

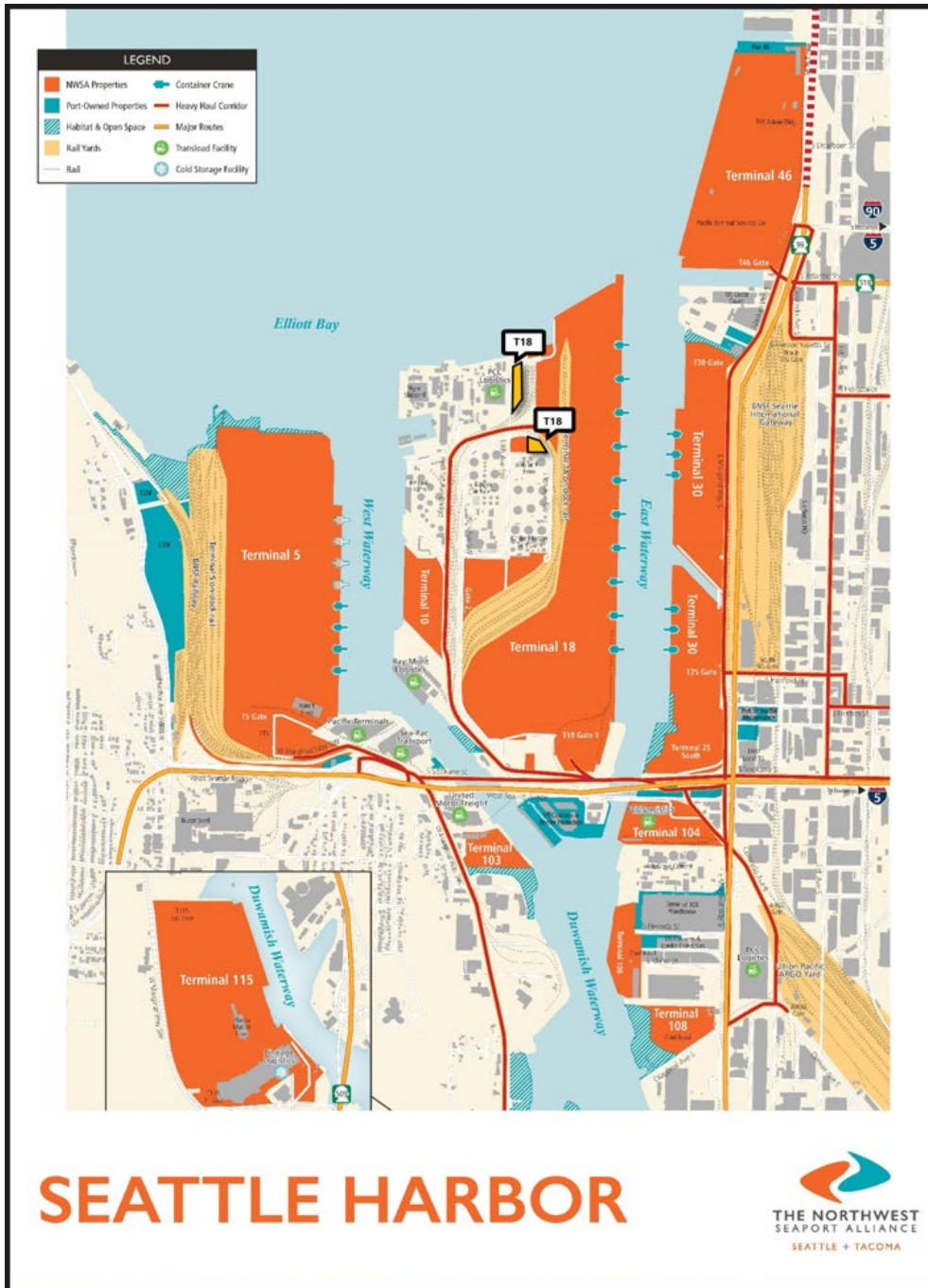
Access and Transportation

Primary vehicle access: The primary site may be accessed from 13th Ave SW, and the off-site yard may be accessed from 11th Ave SW.

Intermodal rail access: Rail tracks run along the east side of the site.

The Heavy Haul Network (“HHN”) in the Seattle harbor allows qualified loads in excess of legal limits to be transported on city streets between intermodal facilities and marine terminals. Use of the HHN requires a special permit. Permits can be obtained from the City of Seattle Department of Transportation, Traffic Permits/Commercial Vehicle Enforcement Division.

Highway access: The site benefits from close proximity and grade-separated access to the key east-west and north-sound roadway corridors of I-5, I-90 and SR99.



Utilities

The site benefits from its location within a region known for its inexpensive electricity and water. All public utilities are available to the subject property but are not all currently located on-site, as further indicated below. Bringing additional utilities on-site will be the sole responsibility of the Respondent.

Electrical: Current electrical to the site provided by Seattle City Light.

Water/Sewer: Water service is provided by Seattle Public Utilities ("SPU"). The water/sewer services are typically billed directly by SPU but may be billed by the NWSA from sub-metered readings as necessary.

Stormwater: Stormwater assets are provided by the Port of Seattle Marine Stormwater Utility, which provides services, facilities, systems and programs for surface water and stormwater management and pollution control at Port of Seattle facilities.

Natural Gas: Gas service in the area is provided by Puget Sound Energy ("PSE").

Telecommunications: This site has several potential telecommunications service providers.

Environmental

An air emissions study may be required depending upon use to comply with appropriate regulatory mandates including National Ambient Air Quality standards. Air emissions from cargo handling equipment and trucks must be minimized using cleaner technologies and best practices to meet the standards. The NWSA implemented the Clean Truck Program in an effort to reduce air emissions from trucks servicing the NWSA international cargo container terminals and may be expanded to include other terminals.

Superfund

The U.S. Environmental Protection Agency ("EPA") placed the Harbor Island Superfund Site (the "Superfund Site") on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. EPA subsequently divided the Superfund Site into several operable units ("OUs"), including the Soil and Groundwater Operable Unit ("S&G OU") that consists of the upland areas at Harbor Island excluding what EPA has designated as the Lockheed Upland OU and the Tank Farms OU. These upland portions of T18 being offered for lease are located within the S&G OU and the Tank Farm OU and therefore have restrictions associated with soil and groundwater use. Additional information can be provided upon request.

Stormwater

Many marine industrial operations require an Industrial Stormwater General Permit administered by the State of Washington Department of Ecology to meet Federal Clean Water Act requirements as well as state and local laws. This Site is currently covered by the Phase I Municipal Separate Storm Sewer System (MS4) permit under the state managed National Pollutant Discharge Elimination System (NPDES) program. The respondent will provide the NWSA with information on activities and NAICS code to determine whether the MS4 or other stormwater permit coverage is appropriate. If other non-MS4 stormwater permits are required for operations and/or construction, it will be the respondent's responsibility to apply for and meet all requirements of those permits.

Noise

All industrial activities must meet City of Seattle, Washington noise ordinances. Please refer to Seattle Municipal Code Chapter 25.08. The Seattle noise ordinance sets levels and durations of allowable daytime/nighttime operational noise. These limits are based on the zoning of the source and receiving properties. T-18 is zoned for industrial uses.

3. Proposal Requirements and Submission Process

Submission of Responses

Responses to this RFP are due **on or before 5PM PST, Friday, December 16, 2024.**

REQUIRED: The NWSA is requiring electronic responses.

Electronic responses must include in the subject line “RFP – Terminal 18” and should be sent to: realestate@nwseaportalliance.com.

E-mail responses should be no larger than 10MB or sent in separate responses clearly labeled email 1 of 3, email 2 of 3, email 3 of 3, etc. DO NOT submit .ZIP files or “Drop Box” documents as they will be rejected. Proposals shall be formatted in searchable PDF format. The NWSA is not responsible for the Respondent’s technical difficulties in submitting responses electronically. Late submissions of responses may not be evaluated.

OPTIONAL: Written paper responses are optional, in addition to e-mailed responses, and should be mailed or dropped off at the front desk to:

The Northwest Seaport Alliance
Attn: RFP – Terminal 18
One Sitcum Plaza
Tacoma, WA 98421

All costs associated with the preparation, submittal and delivery of a response and any presentation materials are the responsibility of the Respondent.

Proposers shall promptly notify the NWSA of ambiguities, inconsistencies, or errors, if any, which they may discover upon examination of the RFP terms and conditions.

RESPONSE REQUIREMENTS

Responses should, at a minimum, include the following:

Respondent Qualifications:

- Description of the Respondent, business ownership structure and qualifications

Proposed Lease and Financial Terms:

- Length of initial lease term and any extension options.
- Interest in primary site only or primary and off-site yard. Explanation on how the off-site yard will be utilized in conjunction with the primary site.
- Lease commencement date.

- Annual rent (may be fixed, or fixed and variable).
- Annual escalation.
- Ability to perform under the proposed lease terms.

Proposed Business Activity and Development Concept:

- Include a narrative description and conceptual site plan, if applicable, of any proposed use, cargo type(s) and/or development concept. For any development concept, describe the intended source of capital required for the development of the site.

Economic and Environmental Impact:

- Describe the estimated economic and environmental impact of the proposed business activity and/or development concept, including job creation.

The NWSA is willing to entertain innovative concepts provided they comply with land-use conditions.

Response Guidance

The following comments are intended to assist in the formulation of the proposal:

Lease Terms Guidance

- **Condition of Site:** Terminal 18 is provided on an “As-is, Where-is” condition, with all faults and defects, known and unknown, without warranty or representation of any kind or character by the NWSA, and the Lessee will be responsible for any further improvement to the site.
- **Lease Term:** The initial lease term will be a minimum of 1 year and a maximum of 10 years. Options to extend subject to mutual agreement of the parties will be considered. The NWSA is willing to consider a longer-term lease should significant capital investment be required of the Lessee.
- **Expenses:** The NWSA desires an “absolute net” lease structure in which the Lessee is responsible for all capital, operating and maintenance costs related to the site.
- **Rent:** The NWSA will entertain proposals for a rent structure based upon current market rents. The NWSA considers a minimum yard rate of \$0.37 per square foot per month (or \$4.44 per square foot per year) and a minimum building rate of \$1.00 per square feet per month (or \$12.00 per square foot per year) and above as being the current fair market rent for T-18.
- **Leasehold Excise Tax:** In lieu of property taxes, the Lessee will pay Washington State leasehold excise tax, which is currently equal to 12.84% of applicable base monthly rent.
- **Security Deposit:** Lessee will pay a security deposit equal to three-months or six-months base rent *plus leasehold excise tax* depending upon the nature and duration of the proposed operation consistent with NWSA policies. The form of payment is subject to the NWSA’s approval.
- **Brokerage Commission:** The NWSA is not represented by a broker in this transaction and Lessee is responsible for any commissions to brokers that it hires. The NWSA prefers direct engagement with the Lessee.
- **Insurance:** The Lessee shall be required to secure and maintain liability and other appropriate insurances during the term of the lease and extensions thereof. The NWSA and the Port of

Seattle shall be named as additional insured and be provided at least forty-five (45) days' prior written cancellation notice.

Desired Qualifications and Business Activities

The NWSA seeks Respondents with good financial standing, experience with water-borne and/or marine industrial businesses and a commitment to strengthening and growing the Pacific Northwest economy.

The NWSA desires marine industrial support activity for this site. Though not exhaustive, the following are examples of desired site uses:

- Uses related to or in the support of the import/export of commodities through the gateway.
- Truck, trailer, container, chassis storage.
- Other water related cargo uses.

The NWSA is the managing entity and issuer of this RFP and any questions and responses must be directed to the NWSA.

SELECTION PROCESS

Schedule*

EVENT	ANTICIPATED DATE
RFP Issue Date	September 16, 2024
Terminal 104 Tour	TBD
Questions Due to NWSA	October 23, 2024
NWSA Answers to Questions	November 8, 2024
Proposals Due	December 16, 2024
Agreement Execution	First Quarter 2025

**This Schedule is subject to change by the NWSA at its sole discretion. All Respondents will be notified of any changes and/or modification made to this schedule.*

Rating Scale

The selection process is based upon the “Response Requirements” section above and weighted in terms of importance as follows:

ITEM	CATEGORY	POINTS
1	Respondent Qualifications	30
2	Proposed Business Activity	30
3	Proposed Lease and Financial Terms	20
4	Expected Economic Impact	10
5	Expected Environmental Impact	10
TOTAL POINTS		100

The NWSA intends to enter a non-binding Letter of Intent (“LOI”) with the RFP awardee while lease terms are finalized. In the event that a non-binding LOI cannot be finalized with the top ranked Respondent within 60 days after the RFP award date the NWSA reserves the right, in its sole discretion, to enter into negotiations with the next-highest-ranked Respondent, call for new proposals, or discontinue this selection process.

Any term lease resulting from this RFP shall be subject to Final Approval by the Managing Members of the NWSA.

Communication and Questions

All questions and requests for clarification and/or interpretation regarding this RFP shall all be submitted in writing by email to: realestate@nwseaportalliance.com

Respondents are strongly encouraged to submit any and all questions and requests as soon as practicable. Written responses to questions from Respondents will be provided to all potential Respondents who have registered to receive e-mail correspondence for this RFP via the NWSA web site (<https://www.nwseaportalliance.com>). **Final questions concerning the RFP must be received by the NWSA no later than 5PM (PST), on Wednesday, October 23, 2024.** Questions received after this date will not be considered. Responses to questions will be provided on an interim basis and final responses will be provided November 8, 2024.

Competitive Integrity

The NWSA maintains a neutral competitive environment for all Respondents to protect the integrity of the selection process. A potential Respondent, or anyone on its behalf, may only contact the authorized NWSA representative concerning this RFP from the release date until the NWSA executes an agreement. Any communication concerning the content of this RFP by a potential or actual Respondent, or anyone on its behalf, with any NWSA or Port-elected official or employee other than the NWSA representative may result in the rejection of that Respondent’s response.

NWSA Rights

The NWSA reserves the right to accept or reject any or all responses in their entirety or in part and to waive informalities and minor irregularities and to contract as the best interest of the NWSA may require. During the evaluation process, if the NWSA determines that a particular requirement may be modified or waived and still allow the NWSA to substantially meet its needs, then the requirement(s) may be modified or waived. The NWSA reserves the right to contact any Respondent to seek clarification, to ask any or all Respondents to submit additional information, or to request modified responses after the submission deadline.

Public Disclosure

As a public agency, the NWSA is subject to the Washington State Public Records Act, Chapter 42.56, Revised Code of Washington (RCW). As such, the NWSA may be required to disclose information provided in Respondent's response. If Respondent seeks to prevent the disclosure of its documents as part of a public disclosure request, Respondent shall be responsible for and bear all costs of taking legal action to prevent the disclosure. In no event shall the NWSA be liable to Respondent for disclosure of Respondent's documents the NWSA deems disclosable under Chapter 42.56 RCW.

EXHIBIT A – Off-Site Yard

