

Request for Proposals – Terminal 104



**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.

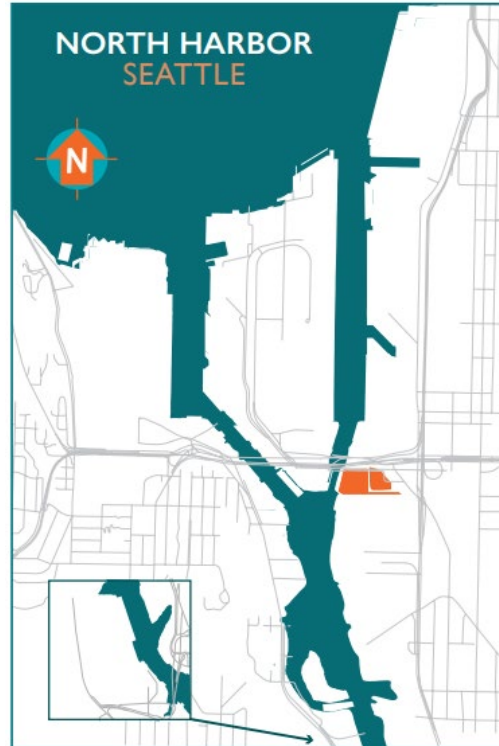
The NWSA continues to grow in importance for importers as a location for warehousing and distribution activities. NWSA terminal facilities are located within a short distance of the 2nd largest concentration of industrial warehousing on the West Coast and part of a robust regional supply chain eco-system 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 104 Background

Terminal 104 (hereinafter “Terminal 104”, “T-104” or the “terminal” or the “site”) is a 15.3-acre site of which approximately 10.89 is rentable acreage, inclusive of 41,280 square feet of warehouse space and 4,800 square feet of office space. The site offers 433,174 square feet of paved and fenced yard with rail access. T-104 is conveniently located for freight receiving and distribution via both truck and rail modes.



T-104 was developed to support the surrounding maritime cargo business and NWSA envisions the entire T-104 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

T-104 is located adjacent to the City of Seattle's SODO industrial area with easy access to I-5 and SR 99 for north and south-bound travel, and I-90 for eastbound travel; T-104 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 now 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. Since the inception of the NWSA in 2015, the gateway continues to increase its cargo volumes year over year.

2. RFP Overview and Site Specifications

This is a Request for Proposals to lease Terminal 104 as a maritime support yard and/or other marine-industrial business in support of the NWSA core mission.

The Northwest Seaport Alliance Vision The long-term vision for Terminal 104 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: 3629 Duwamish Ave. S
Seattle, WA 98134

Terminal Area:

Approximately 10.89 acres¹ are available for lease. Respondents should be aware that water dependent uses are not suitable for this site. Although the property is adjacent to the east Duwamish River and has approximately 375 feet of water access along its western edge, this area is used as a habitat mitigation and not part of the usable acreage for lease.

¹ Acreage is anticipated to be reduced following commencement of Sound Transit 3 Project. See Section the Sound Transit 3 Project – West Seattle Link Extension section on Page 9 for further details.

Terminal Highlights:

- The improved site includes lights and is fully fenced and paved.
- Rail access along south perimeter of site.
- 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. “Rail Area” indicates portion of property dedicated exclusively for rail. Note that the rail extends along the southern property boundary beyond the “Rail Area”.

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 with double barbed wire on
- Yard lighting
- Approximately 25 parking stalls adjacent to office space
- General level and at street grade
- Yard is bifurcated by SW Klickitat Street
 - 92,007 square feet east of SW Klickitat Street
 - 382,447 square feet west and south of SW Klickitat Street, inclusive of building footprint

Buildings:

The site has one 46,080 square feet building divided into a warehouse space and two-floor office space as detailed below.

Building	Total Building Size	Description
Warehouse	41,280 ft ²	<ul style="list-style-type: none">• 64 Dock Height Loading Doors (32 north side doors not currently usable)• Doors are 12' high roll-up• Warehouse clear height is 14' to open beam ceiling• Drop fluorescent lighting• Unfinished concrete slab flooring• No heat
Office	4,800 ft ² (2-story Bldg)	<ul style="list-style-type: none">• Located on west side of building• 25 customer parking stalls• 2,400 SF per floor• Two restrooms on first floor• Acoustical tile ceiling• Fluorescent lighting• Forced air heating

Rail:

There is a raised concrete, covered storage area on the south side of the site which can be used to load/unload train cars as well as trucks. There are two rail lines accessing the south end of the property and an ingress/egress access road running east/west.

Access and Transportation

Primary vehicle access: The site may be accessed from SW Klickitat Way.

Rail access: T-104 is located less than a quarter mile from the Union Pacific’s intermodal and general cargo Argo yard to the east. The Burlington Northern–Santa Fe Railroad (BNSF) handles its intermodal and general cargo loading operations at its SIG and North-SIG which are only a half-mile from the site. A rail spur is located on the south side of the terminal.

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-south 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.

Sound Transit 3 Project – West Seattle Link Extension (IMPORTANT)*

A ballot measure was approved during the November 2016 elections in Seattle, WA to expand the regional public transit system. This expansion, identified as the Sound Transit 3 Project (“ST3”), will in part provide light rail connections in the SODO, Delridge, and West Seattle neighborhoods. Sound Transit is currently in the planning phase of the project and has identified a portion of T-104 as potentially being impacted by ST3 under the proposed preferred alternative route. Should the preferred alternative route be confirmed, construction impacting T-104 is anticipated to commence in 2027.

Under the preferred alternative route, the warehouse will be demolished, and it is anticipated that T-104 will be reduced temporarily by three (3) acres during the construction phase, and permanently by 1.2-acres following completion of the work.²

- Construction Phase: Approximately the three north-most acres will be utilized by Sound Transit for construction and construction laydown. The remaining usable acreage during construction is estimated to be 7.89 acres.
- Completion: Upon completion of the construction impacting T-104, site acreage is anticipated to be permanently reduced by approximately 1.2 acres leaving a remaining estimated usable acreage of 9.69 acres.
- Other Notes:
 - The warehouse is anticipated to become permanently unavailable for use in 2027.
 - **Rail access and use will not be hindered or impacted by ST3.**
 - Access via SW Klickitat Way is anticipated to **not** be impacted by ST3 during any phase of the project.

² Information on this section is **preliminary**, based upon currently available information from Sound Transit, and subject to change at any time and without notice. The NWSA does not represent or warrant the accuracy of this information and respondents are encouraged to contact Sound Transit directly with questions.



****For illustration purposes only; Not an official graphic****

The above **draft** graphic depicts the anticipated impacts to T-104 based upon the currently available ST3 information. The yellow outline identifies the area anticipated to be temporarily impacted during construction, and the blue outline identifies the area anticipated to be permanently impacted upon completion of the work.

More information on ST3 can be found via Sound Transit's website here: [West Seattle Link Extension | Project map and summary | Sound Transit](#). Upon final determination by Sound Transit that T-104 will be impacted along with the extend of impact, a then-current lease will be amended accordingly based upon the actual acreage and amenity reductions due to ST3.

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.

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-104 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 104” and should be sent to: ***realstate@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 104
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.
- 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:** T-104 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 \$0.35 per square foot per month (or \$4.20 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-104.
- **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 – Terminal 104: Arial Site Plan



EXHIBIT B – Building Layout

