

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	5c
Date of Meeting	May 11, 2010

DATE: May 6, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Phil Lutes, Deputy Director, Seaport
Scott Pattison, Manager, Industrial Properties

SUBJECT: Terminal 86 Improvement Agreement between the Port of Seattle and
Louis Dreyfus Corporation

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to execute an Improvement Agreement between the Port of Seattle and Louis Dreyfus Corporation apportioning the responsibilities of the Terminal 86 improvements authorized by the Commission on March 23, 2010. No additional funds are requested.

SYNOPSIS:

On March 23, 2010, the Commission authorized the Chief Executive Officer to advertise and execute contracts for upgrades at the Seaport's Terminal 86, which will be undertaken in partnership with Louis Dreyfus Corporation.

On November 10, 2009, the Commission authorized the Chief Executive Officer to execute the 11th Amendment to the Lease between the Port of Seattle and Louis Dreyfus Corporation at the Terminal 86 Grain Terminal.

At this time, staff requests authorization for the Chief Executive Officer to enter into an Improvement Agreement between the Port of Seattle and Louis Dreyfus to perform the work authorized by the Commission. This Improvement Agreement will not expand the scope of Port work or funding previously authorized; it will describe roles and responsibilities between the parties for this joint project.

Commission authorization is being requested because the Improvement Agreement was not specifically referenced in the March 23, 2010 authorization.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

March 30, 2010

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OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- A copy of the proposed Improvement Agreement
- Commission Memo dated March 23, 2010
- Commission Memo dated November 10, 2009

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

March 23, 2010 – Commission authorization for the Chief Executive Officer to advertise for bids and execute a contract for upgrades at Terminal 86 for a total Port capital investment estimated at \$2,500,000.

November 10, 2009 – Commission authorization for the Chief Executive Officer to execute the 11th Amendment to the Lease between the Port of Seattle and Louis Dreyfus Corporation at the Terminal 86 Grain Terminal which extended the decision period by 6 months for the next lease option to extend term 5 years.

July 28, 2009 – Staff provided an overview to the Commission in public session regarding history of the Grain Terminal, the current situation and lease agreement, business outlook and the need for future capital investment in this aging facility.