

PACCAR Lease Termination

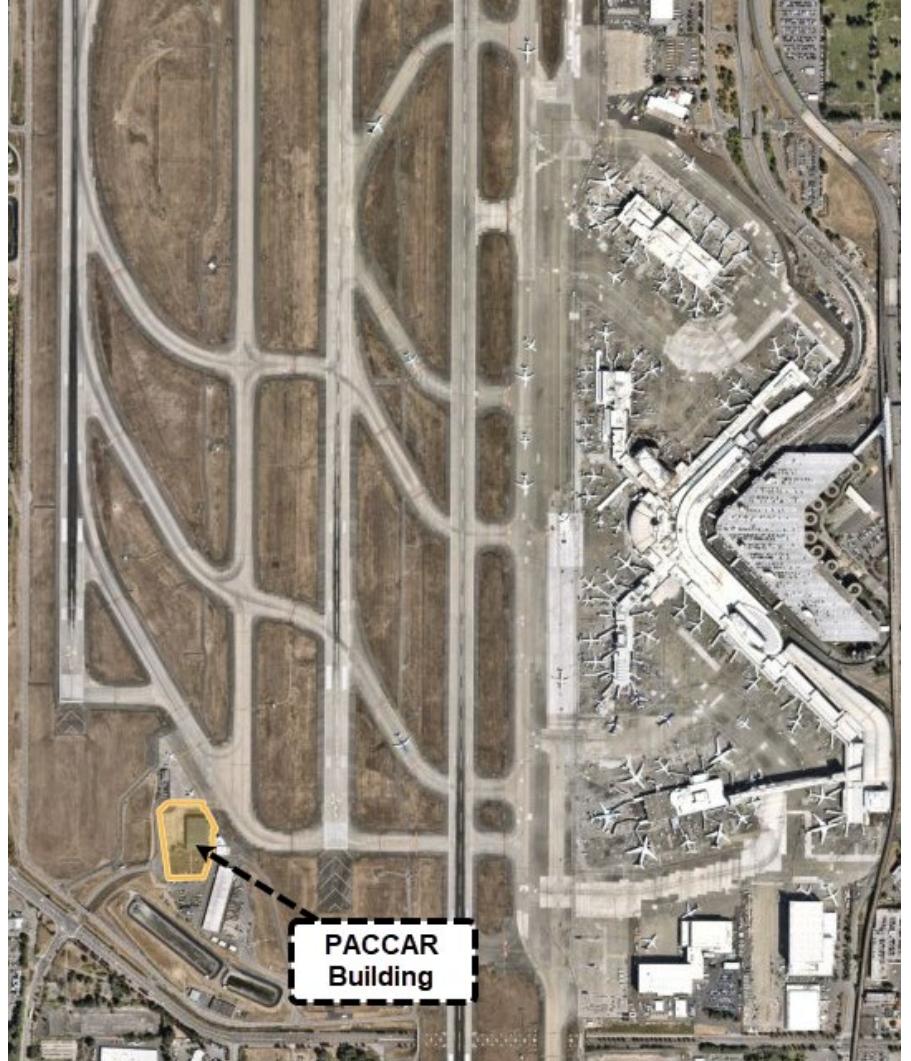


Actions Requested

Requesting Commission authorization for the Executive Director to execute a Lease Termination Agreement for the PACCAR Lease Agreement at SEA to facilitate their transition to Boeing Field and support SEA's airport capital development program and operations.

Lease Overview

- PACCAR has a substantial footprint on Southend of the airfield that can provide a critical relief valve for airport operations and capital development needs
- PACCAR was aware of the potential displacement due to the Port's long-term vision and secured a new lease at BFI
- As part of this lease termination PACCAR will be required to make tenant improvements to the building, remove the existing AFFF (PFAS-based) fire suppression system, and remove the aircraft fueling system.
- In the interim, the facility will be used to support SEA's growing operation by providing real estate to support multiple Port functions. The anticipated future and long-term use of this site will support future development at SEA.



Lease Termination Details

PACCAR Lease Termination	
Tenant Name	PACCAR Inc.
Original Expiration	May 31 st , 2031
Environmental Indemnification	<ul style="list-style-type: none"> ➤ The existing lease agreement indemnification will survive lease termination in the event the Port discovers environmental contamination during the demolition of the building
Monthly Rental Rate	\$37,360.36
Tenant Improvement Requirements	<ul style="list-style-type: none"> ➤ Removal of the PFAS based fire suppression system and components in continuous contact with PFAS ➤ Installation of water-based fire suppression system at a lower rating converting the hanger into a warehouse ➤ Removal of underground Aircraft Fueling system to include but not limited to underground fuel tank, piping, fixtures, and any environmental contamination discovered
Potential Uses:	<ul style="list-style-type: none"> ➤ Support of Port Capital Projects ➤ Aviation Maintenance space ➤ Fire Department Storage ➤ Operational support space
New Termination Date	<ul style="list-style-type: none"> ➤ The end of the month following Tenant completion and Port approval of the Tenant Improvement Requirements listed above

