

# 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

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

