

INTERLOCAL AGREEMENT BETWEEN THE NORTHWEST SEAPORT ALLIANCE AND PORT OF TACOMA

This Interlocal Agreement is entered into by and between the Port of Tacoma and the Northwest Seaport Alliance effective as of the date set forth below. The parties agree as follows:

WHEREAS, the Port of Seattle and the Port of Tacoma entered into an Interlocal Agreement dated August 4, 2015 for the purpose of creating a Joint Seaport Alliance now known as the Northwest Seaport Alliance.

WHEREAS, Paragraph III A of the August 4, 2015 Interlocal Agreement defined the PDA "Startup Period" as the timeframe of August 4, 2015 through December 31, 2015.

WHEREAS, Paragraph III C of the August 4, 2015 Interlocal Agreement provides in part that during the Alliance PDA Startup Period, "Focused support will be provided to the Alliance PDA from the staff of each Port through specific service agreements.

WHEREAS, the term of the "Startup Period" has expired.

WHEREAS, thereafter, the Port of Tacoma and The Northwest Seaport Alliance entered into annual Interlocal Agreements for Support Services By and Between the Port of Tacoma and the Northwest Seaport Alliance ("IL-Support Services Agreement") with the last such IL Support Services Agreement being effective between January 1, 2018 and December 31, 2018.

WHEREAS, the annual IL-Support Services Agreements, included a series of Service Directive Exhibits specifying the nature of certain services that would be provided by the Port of Tacoma to the Northwest Seaport Alliance and/or by the Northwest Seaport Alliance to the Port of Tacoma.

WHEREAS, Paragraph III C of the August 4, 2015 Interlocal Agreement also provides in part that "During the initial years of Alliance PDA operations, Alliance PDA employee functions and those functions provided through service agreements will be evaluated and adjusted as appropriate to best support the Alliance PDA business model."

WHEREAS, as the Northwest Seaport Alliance has been in existence for nearly three years, the Managing Members of the Northwest Seaport Alliance are currently engaged in evaluating and adjusting the governance, employee functions, the roles of the service agreements and organizational structure of the Northwest Seaport Alliance, as the 2015 Interlocal Agreement contemplated.

WHEREAS, the governance and organizational structures being evaluated, if selected, may necessitate changes in the types, nature or level of services the Northwest Seaport Alliance purchases from the Port of Tacoma.

WHEREAS, the intent of the IL-Support Services Agreement was not and never has been to require the Northwest Seaport Alliance to purchase any specific services or level of services from the Port of Tacoma on a long term basis.

NOW, THEREFORE, the parties agree as follows:

- A. The 2018 IL Support Services Agreement and each Service Directive Exhibit thereto are hereby clarified and/or amended to provide that:
- (1) Nothing in the former or present IL Support Services Agreement or in any Service Directive Exhibit requires or may be construed to require the Northwest Seaport Alliance to purchase any specific services or level of services from the Port of Tacoma;
 - (2) The Northwest Seaport Alliance may, in its sole and exclusive discretion, elect to modify, change, reduce, limit or discontinue purchasing any and all services addressed in any Service Directive Exhibit from the Port of Tacoma upon delivery of written notice to the Port of Tacoma; and
 - (3) The Northwest Seaport Alliance may, in its sole discretion, elect to meet its service needs in any of the areas covered under any Service Directive Exhibit by any combination of (i) purchasing such services from the Port of Tacoma; (ii) performing such services with employees of the Northwest Seaport Alliance; or (ii) contracting with one or more third parties to provide such services.
 - (4) In the event that the Northwest Seaport Alliance elects to modify, change, reduce, limit or discontinue purchasing any and all services addressed in any Service Directive Exhibit from the Port of Tacoma, the parties will promptly meet to discuss the corresponding change to the "Hourly Rate, Fixed Percentage or Formula" and/or the "2018 Budgeted Amount" in any effected Service Directive Exhibit.
 - (5) In the event that the Northwest Seaport Alliance elects to terminate the former or present IL Support Services Agreement and/or the Secondment Interlocal Agreement between the Port of Tacoma and the Alliance, the Northwest Seaport Alliance will provide 90 days' prior written notice.

WHEREFORE, the parties have executed this Agreement this 23 day of April, 2018.

NORTHWEST SEAPORT ALLIANCE

PORT OF TACOMA


John Wolfe
Chief Executive Officer


Commission President

Date: April 23, 2018

Date: 4-23-18