



# Tenant Improvement Procedure (Improvements by Tenant)

Engineering Dept. Procedure No. 5001  
Policy No. RE01

## 1. PURPOSE

The purpose of this procedure is to define how the Port and its Tenants will interact with regard to improvements accomplished by the Tenant. Port policy and the Port's standard lease language allow for tenants to make changes, alterations and improvements to Port property if approved by the Port. Specific lease provisions should be consulted for details. This procedure defines the requirements to be adhered to by the Tenant and Port staff with the intent to set review and approval standards, clarify decision making, ensure required deliverables are met and allow for a more efficient and cost effective project completion.

## 2. PROCEDURE GUIDELINES

### A. Definitions

Term	Definition
Tenant Improvements	Improvements, alterations or other changes on Port property that are facilitated, contracted and financed by the Tenant that would not be considered ordinary maintenance or repairs.
Review Team	Individuals within various departments selected by the Director of Engineering or designee to review the proposed Tenant Improvements. This typically includes Port Representative, Finance, Real Estate, Risk Management, Labor Relations, Engineering, Environmental and Maintenance Departments. The Review Team is headed by the assigned Engineering Project Manager.
Port Representative	Commercial point of contact responsible for coordination with the Tenant and managing/tracking the tenant improvement.
Engineering Project Manager	Individual assigned by the Director of Engineering to facilitate the tenant improvement review procedure.

### B. Review Focus

The purpose of the Port review is three fold: asset management/protection, compliance assurance and record keeping. As the Owner of the facilities, Port staff reviews proposed Tenant Improvements to determine how they affect existing or future asset value at the property and how they may affect future maintenance of facilities. Staff

also reviews to identify any known compliance issues with Port, local, state and federal requirements. This review may dictate design, permitting and inspection requirements to ensure the Tenant Improvements are completed in compliance with approved design standards, documents, existing orders/agreements and all regulations. Lastly, it is important for the Port to receive the necessary as-built documents associated with the Tenant Improvements to ensure records are kept, filed and recorded for maintenance and future improvement considerations.

While the Port does not issue environmental or construction permits, it is responsible directly or indirectly for the activities that take place on Port properties. Therefore it is important that the Port review proposed Tenant Improvements to ensure adherence to Port requirements. While the Port reserves the right to reject a proposed Tenant Improvement, the Port will not withhold approval arbitrarily and will seek to work with the tenant to identify an alternative solution(s) acceptable to the Port and tenant. Below are five potential stages associated with completion of Tenant Improvements. All stages may not be necessary dependent on the proposed Tenant Improvement. Responsibilities of each party are defined within each stage.

The Port's review and approval of a Tenant Improvement Request, and acceptance of a completed Tenant Improvement, shall mean only that the Tenant has the Port's permission to make the requested Tenant Improvement and has completed the Tenant Improvement in accordance with the Port's requirements, and shall not mean that the Port has approved the adequacy, sufficiency, effectiveness, safety, or fitness for any purpose of the Tenant Improvement, nor anything else whatsoever. Any review and approval or acceptance by the Port shall not result in any liability of the Port with respect to any Tenant Improvement or any part thereof, or any other injury, loss, damage, or expense related to the Tenant Improvement or any part thereof. The Tenant at its sole cost shall be responsible for obtaining all permits for the Tenant Improvement and all construction related thereto, for performing the construction or installation of the Tenant Improvement including any mitigation, remediation, and other conditions required by any agency, for operation of the Tenant Improvement, and for all required inspection, maintenance, repair, and replacement of the Tenant Improvement. The Port shall have no liability of any kind or nature whatsoever with respect to any Tenant Improvement or any part thereof, and the Tenant at its sole cost shall comply with all permitting, construction, and operation requirements and all applicable laws, rules, regulations, standards, ordinances, permits and permit requirements, orders, and decrees, as currently in effect or as may be hereafter amended or issued, of all governmental bodies having authority over the Tenant Improvement or the Premises or

any activity conducted thereon, and shall defend, indemnify, and hold the Port harmless from and against all claims, costs (including but not limited to attorney fees), fees, fines, penalties, liabilities, losses, and damages that the Port may incur by reason of the Tenant Improvement or any part thereof or by reason of any charge, claim, litigation, or enforcement action related to the Tenant Improvement or any part thereof or any actual or claimed violation of any of the foregoing.

### 3. PROCEDURES

#### A. Initial Review Stage

##### Tenant Responsibilities

- Prepare and submit a Tenant Improvement Request form (in Word format) to the Port Representative completing all of the fields noted under Section 1. In addition provide any plans, photos, quotes etc. that may assist the Port in its assessment.

##### Port Responsibilities

- The Port Representative will manage the request and be responsible for storing all correspondence associated with the request in the Port's lease filing system or records.
- The Port Representative is responsible for reviewing the Tenant Improvement Request against the terms of the lease agreement to confirm responsibility of improvements and to ensure the form is properly completed. If acceptable, the Port Representative will forward it to the Director of Engineering for review.
- The Director of Engineering will assign an Engineering Project Manager to complete an initial review of the request. This initial review and assessment is intended to
  - define if any additional design and other submittal requirements are necessary;
  - identify necessary known permit requirements;
  - identify any significant issues, concerns, or constraints for the Port;
  - confirm conformance with Port standards;
  - validate the proposed schedule; and
  - estimate Port design review time (if necessary).
- Dependent on the nature of the Tenant Improvements and if sufficient information is provided the Engineering Project Manager may proceed with the Review and Approval Stage process as noted below.
- Upon completion of the initial assessment the Engineering Project Manager will review the Tenant Improvement request with the Director of Engineering and acquire signature. The Engineering Project Manager will forward the Tenant Improvement Request form to the Port Representative noting its approval or request for further information.

- The Port Representative will return the completed Tenant Improvement Request form to the Tenant. If necessary the Port Representative will schedule a meeting to discuss the Port's assessment with the Tenant and some or all of the Review Team.
- Upon receipt, review and acceptance of all requirements the Director of Engineering will authorize construction to proceed.

## **B. Design Stage**

In the event the Tenant Improvement is not approved at the Initial Review Stage and additional design documents are required, the following shall apply.

### **Tenant Responsibilities**

- Procure consultant/contractor services as required. Licensed engineering or architectural requirements should be defined during the Initial Review Stage.
- Prepare Construction Documents (plans and specifications) for Port and agency reviews, permitting, bidding etc.
- If CAD drawings are being prepared, complete them in accordance with Port CAD Standards. (see link below)
- Submit for and acquire all necessary local, state and federal permits necessary for the Tenant Improvements.
- Upon request by the Port provide an estimated cost of the Tenant Improvements.

### **Port Responsibilities**

- Provide CAD Standards
- Upon request, provide existing Port records for use in design. (Record drawings, reports, surveys, etc.)

## **C. Review and Approval Stage**

### **Tenant Responsibilities**

- Provide electronic copies (.pdf) of Construction Documents, cost estimate and updated schedule to the Port Representative for Port review.
- Provide a copy of all permits, approvals and associated documents to the Port Representative.
- Upon request, meet with the Port Review Team to present the Construction Documents.

### **Port Responsibilities**

- Port Representative will facilitate all gathering of required Construction Documents and other information to the Engineering Project Manager.
- The Engineering Project Manager will distribute the review documents to the Review Team with instructions for review. (Timing, comment format, etc.)

- The Review Team will complete its review of the Construction Documents, add comments to Section 2 of the Tenant Improvement Request form and notify the Engineering Project Manager upon completion.
- The Engineering Project Manager will review comments, resolve discrepancies with the Review Team and forward the reviewed Tenant Improvement Request form to the Director of Engineering.
- The Director of Engineering will review the Tenant Improvement Request form, edit as necessary, sign and return it to the Engineering Project Manager who will forward it to the Port Representative for distribution to the Tenant. The Tenant Improvement Request form will identify any additional submittals and/or requirements that are necessary prior to proceeding with construction, which may include but shall not be limited to an appropriate amendment of the Tenant's lease, as well as requirements during and after construction.
- If Port inspection and testing is required the Tenant may be responsible for the costs of those services and will be expected to enter into an agreement with the Port for reimbursement. In this case costs will be monitored for reimbursement by the Tenant.

#### Tenant Responsibilities

- Upon receipt of the reviewed Tenant Improvement Review form address all comments and submit required documents to the Port for approval.
- As required, provide a copy of the performance bond and Builder's Risk insurance naming the Port as additional insured.

#### Port Responsibilities

- Upon receipt, review and acceptance of all requirements the Director of Engineering will authorize construction to proceed.

### **D. Construction Stage**

#### Tenant Responsibilities

- Procure a licensed contractor as required to complete the Tenant Improvements.
- Coordinate with the Port as required in the Tenant Improvement Request form.
- Manage all construction activities.
- Coordinate Port and agency inspections as required.
- Acquire necessary approvals and acceptance of Tenant Improvements with the Port and/or other agencies.

#### Port Responsibilities

- Coordinate with the Tenant as required in the Tenant Improvement Request Form.
- Provide Port inspection and testing if required by the Port.
- Attend weekly construction meetings if Port inspection and testing is required.

- Assist in preparing punch list if Port inspection is required.

#### **E. Close Out Stage**

##### **Tenant Responsibilities**

- Upon completion of work notify the Port Representative and request final acceptance of the Tenant Improvements
- Submit As-Builts drawings, Operation & Maintenance Manuals, warranties, certificates and permit inspection acceptance, as required, to the Port Representative.

##### **Port Responsibilities**

- The Engineering Project Manager will review the completed Tenant Improvements and submitted close out documents as necessary and distribute documents to the appropriate individuals.
- Upon completion and acceptance of all work by the Port the Director of Engineering will issue Final Acceptance.
- Port staff will incorporate Record Drawings into Port databases.

#### **4. RESOURCES/FORMS/LINKS**

- Tenant Improvement Request w/Instructions: (<http://portoftacoma.com/real-estate/tenant-resources>)
- CAD Standards and Procedures: [www.portoftacoma.com/Page.aspx?nid=422](http://www.portoftacoma.com/Page.aspx?nid=422)

#### **5. CONTACTS/RESPONSIBILITIES**

Subject	Contact	Phone	Email
Approval	Thais Howard	(253) 592-6706	<a href="mailto:thoward@portoftacoma.com">thoward@portoftacoma.com</a>
Interpretation and Guidance	Trevor Thornsley	(253) 383-9408	<a href="mailto:tthornsley@portoftacoma.com">tthornsley@portoftacoma.com</a>
Form	Trevor Thornsley	(253) 383-9408	<a href="mailto:tthornsley@portoftacoma.com">tthornsley@portoftacoma.com</a>

#### **6. HISTORY**

Issued: 10/07/11  
 Revised: 01/08/14  
 Reviewed: 01/08/14

This is the most current version of this policy/procedure and replaces all previous versions. The signed original is maintained by Human Resources.

\_\_\_\_\_  
 Director of Engineering

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 Date