



# **Terminal 5 Uplands Modernization and Rehabilitation Project Final Phase**

DEPARTMENT OF TRANSPORTATION  
National Infrastructure Investments  
DTOS59-20-RA-BUILD

## **APPENDIX A2**

### **LETTERS OF COMMITMENT**

May 14, 2020

The Honorable Elaine L. Chao, Secretary  
United States Department of Transportation  
1200 New Jersey Avenue SE  
Washington, D.C. 20590-7202

RE: Letter of Commitment, Terminal 5 Uplands Modernization and Rehabilitation Project – Final Phase

Dear Secretary Chao:

I am very pleased to submit this application from the Northwest Seaport Alliance (NWSA)—an operating partnership between the ports of Seattle and Tacoma—to the 2020 Better Utilizing Investments to Leverage Development (BUILD) Transportation Grants Program.

In collaboration with marine terminal operator SSA Terminals (Seattle Terminals), LLC (“SSAT”), NWSA has begun to modernize Terminal 5 (T-5)—which has lain largely dormant since 2014, when ocean carriers vacated the terminal because it was unable to serve the larger container vessels that have become standard in the global shipping industry. The proposed project will enable T-5 to handle ultra-large container ships, helping the NWSA recapture market share from the nearby ports of Vancouver and Prince Rupert. These Canadian ports have enjoyed significant public and private investment in support of modernization and expansion over the past 15 years.

In Washington state, the benefits will be considerable. Not only will the project support increased exports of agricultural products from rural Eastern Washington, the project will generate approximately 6,600 new direct jobs, adding to the 20,000+ jobs already directly supported by cargo activity at the two seaports. Importantly, the benefits of the T-5 PROJECT will stretch far beyond Washington state. U.S. exporters from numerous states—including Oregon, Idaho, Montana, Minnesota, the Dakotas, and Iowa—regularly depend on the NWSA as their fastest and most cost-effective option for shipping price- and time-sensitive agricultural products, such as hay, apples and potatoes. This public-private partnership will leverage innovative technologies, methods of project delivery, and financing to expand capacity at the NWSA, thereby increasing access to international markets for U.S. farmers, as well as manufacturers and consumers.

So strongly do the ports of Seattle and Tacoma believe in the potential benefits of making their ports “big ship” ready and improving the safety, state of good repair, economic competitiveness, environmental sustainability of moving goods through the American ports of the Pacific Northwest, that they have chosen to forego submitting separate applications to the FY 2020 BUILD Program in favor of submitting a single, joint application via the NWSA, with strong support from SSAT, the largest marine terminal operator in the Americas.

As a sign of the strength of this innovative public-private partnership and their commitment to the success of the proposed \$35,374,666 project, the NWSA and SSAT have chosen to mutually guarantee the committed cost share of \$17,687,333—a figure representing 50% of total eligible project costs. This investment is in addition to the commitment already made by the NWSA of over \$300 million for the redevelopment of this terminal.

Cost share from the NWSA will come from two sources:

- 1) The Port of Seattle will provide funds from cash on hand generated by its tax levy authority and related general obligation bonds;
- 2) The Port of Tacoma has obligated up to \$100 million of cash and investments on hand, with any remainder being sourced under its revenue bond borrowing authority. SSAT's capital commitments will come entirely from cash and investments on hand, including from its private partners in the T-5 PROJECT (see Letter of Commitment from SSAT).

If this project is awarded funding under a BUILD Transportation grant, the NWSA also guarantees the availability of the staff and resources necessary to complete the activities described in the application.

The NWSA and SSAT are exceptionally well qualified to lead the proposed activities. NWSA is the nation's fourth largest container port complex overall and the top-ranked U.S. seaport for refrigerated exports. SSA Marine is the largest marine terminal operator in the Americas, with vast experience in executing capital improvement projects and efficient terminal operation. Together, we form a powerful team capable not only of planning such an ambitious and important project, but also of executing it in a timely, cost-effective manner.

For these reasons and more, I urge you to fund the T-5 PROJECT. If you have any questions at all, please do not hesitate to contact me.

Sincerely,



John Wolfe, Chief Executive Officer  
Northwest Seaport Alliance  
1 Sitcum Way  
Tacoma, Washington 98421

cc: Ed DeNike, President, SSA Terminals



**SSATerminals**  
A Matson and Carrix Collaboration

1131 SW Klickitat Way  
Seattle Washington  
98134  
800/422-3505 tel  
206/623-0179 fax

May 11, 2020

The Honorable Elaine L. Chao, Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590-7202

**Subject: Letter of Commitment, Terminal 5 Modernization and Rehabilitation  
Project Final Phase**

Dear Secretary Chao,

SSA Terminals (Seattle Terminals), LLC (SSAT) is excited to take part in a powerful public-private partnership with the Northwest Seaport Alliance (NWSA) in its application to the 2020 Better Utilizing Investments to Leverage Development (BUILD) Transportation Grants Program.

SSAT—an affiliate of SSA Marine—recently signed an agreement with the NWSA to help modernize and revitalize Terminal 5, located on the south end of the Seattle Harbor. This agreement committed to as much as \$118 million in investment from SSAT and its private partners in terminal improvements, as well as to operating Terminal 5 (T-5) for at least 30 years. Clearly, SSAT is committed to the long-term viability of T-5 and to the success of the proposed project.

In fact, it is our goal to complete the proposed upgrades and improvements as efficiently as possible in order to maintain the NWSA's status as the premier, world-class container trade gateway in the U.S. Pacific Northwest. Many U.S. agricultural producers, manufacturers, and consumers rely on the ports of Seattle and Tacoma for access to international markets and will benefit greatly from this project.

The infrastructure investments proposed by this public-private partnership of NWSA and SSAT will improve the safety, state of good repair, economic competitiveness, environmental sustainability of moving goods through the American ports of the Pacific Northwest and will enable the terminal to service the world's largest container ships. This potent combination of improvements—leveraging innovative technologies, methods of project delivery, and financing—will in turn reduce shipping costs and speed time to market, generating a positive return for U.S. businesses and the U.S. economy overall.



**SSATerminals**  
A Matson and Carrix Collaboration

1131 SW Klickitat Way  
Seattle Washington  
98134

800/422-3505 tel  
206/623-0179 fax

As a sign of the strength of our public-private partnership with the NWSA and our collective commitment to the success of the proposed \$35,374,666 project, SSAT and the NWSA have agreed that together they will guarantee the committed cost share of \$17,687,333--a figure representing 50% of total eligible project costs. If the project is awarded funding, SSAT and NWSA will work closely together to ensure full and complete funding of the project components described in the project narrative.

SSAT's portion of capital commitments will be funded by operating cash.

If this project is awarded funding under a BUILD Transportation grant, SSAT also guarantees the availability of the staff and resources necessary to complete the activities described in the application.

As an affiliate of SSA Marine, the largest marine terminal operator in the U.S., and Carrix, the largest marine terminal operator in the Americas, SSAT is exceptionally well qualified to help lead the proposed activities. SSAT and its affiliates have vast experience executing capital improvement projects and efficient terminal operations. For the above reasons and more, I urge you to fund the T-5 Project. If you have any questions at all, please do not hesitate to contact me.

Sincerely,

Edward DeNike  
Chief Operating Officer  
SSA Terminals (Seattle Terminals), LLC  
1131 SW Klickitat Way  
Seattle, WA 98134

cc: John Wolfe, Chief Executive Officer, Northwest Seaport Alliance