

Item No.: 4A-Supp
Date of Meeting: August 14, 2018



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

Food Express Term Lease 3701 Taylor Way Rail Spur

Presenter:

Curt Stoner

Sr. Manager NWSA Real Estate

Action Requested

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to sign a five-year term lease with Food Express Inc. for approximately 0.4 acres of land including a rail spur at 3701 Taylor Way, Tacoma, WA

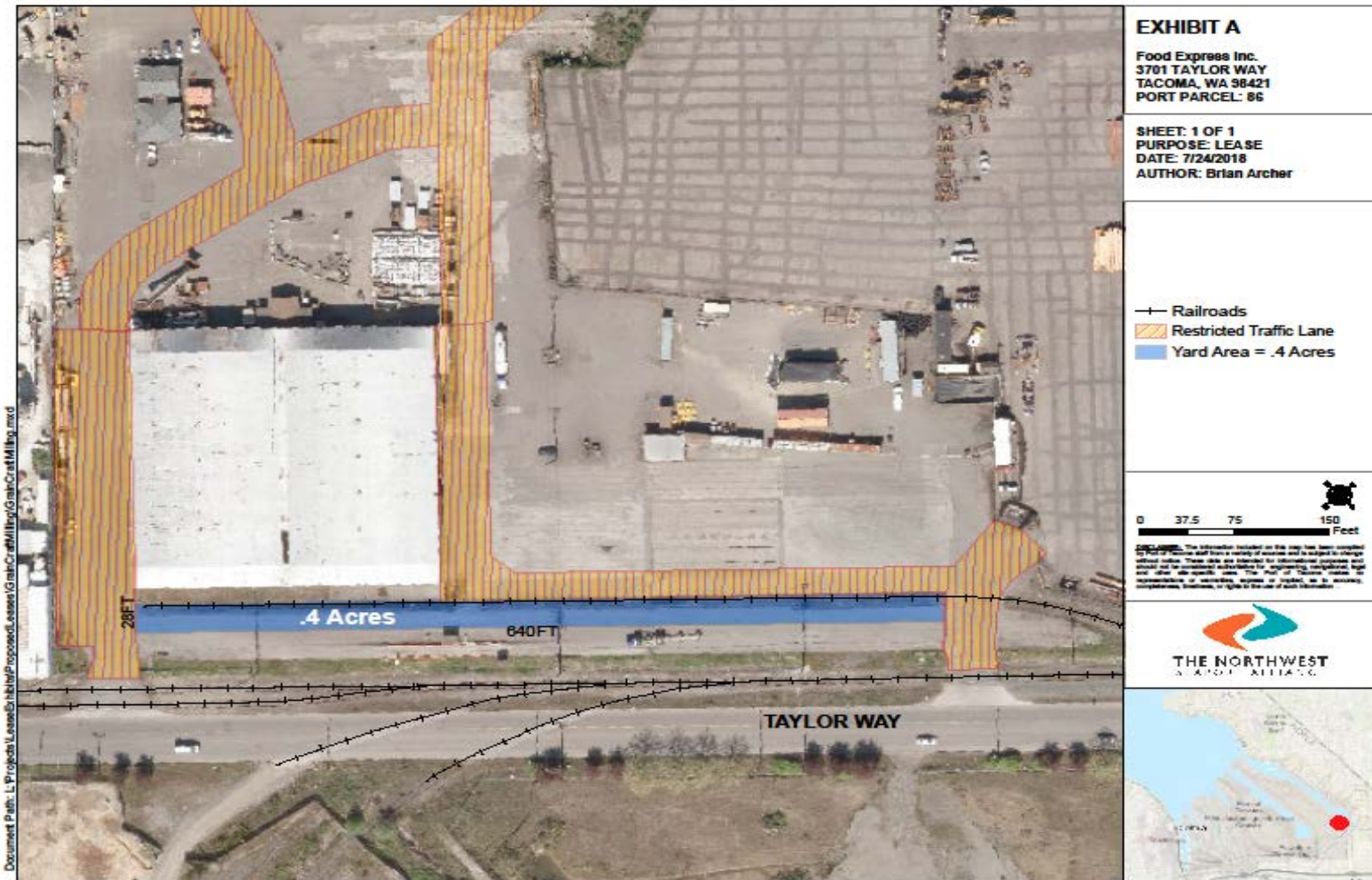


Background

- Food Express transloads and delivers approximately 22M pounds of flour per day in the western US.
- Food Express's use of a rail spur on the UPRR Kent WA Auto Facility has been recently terminated.
- Tacoma Rail and Arrow Storage are temporarily providing Food Express transloading space.
- Food Express needs a rail spur to receive 4-6 bulk rail cars of bakery flour per week and pneumatically transload it into specialized over the road trailers for local delivery to Mission Foods in Fife, WA.
- Food Express has agreed to pay \$28,800 annual rent and invest \$126,000 to upgrade the rail infrastructure to Federal Railroad Administration standards as a Tenant Improvement.



3701 Taylor Way Rail Spur Assigned to NWSA



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Financial Implications

- Source of Funds
 - There is no capital investment or operating expense associated with establishing this lease. There is no expected capital investment needed during the five-year lease.
- Financial Impact
 - This lease will provide \$28,800 of additional revenue to the NWSA with no required investment.



Alternatives Considered and Their Implications

- **No Action Alternative:** The premises and rail spur are currently unusable and not leasable in their present condition
- **Recommended Action:** Authorize the Chief Executive Officer or their delegate to sign a five-year Term Lease with Food Express Inc. for approximately 0.4 acres of land including a rail spur at 3701 Taylor Way, Tacoma, WA



Environmental Impacts / Review

- **Permitting:** Will be a component of Lessee's Tenant Improvement Request
- **Remediation:** Not expected to be required.
- **Stormwater:** Permit to be held by NWSA with BMPs the responsibility of Lessee.
- **Air Quality:** No issues anticipated. Lessee will be in compliance with all Air Quality standards. Pneumatic transloading eliminates fugitive dust.



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