

Item No.: 9D_Supp
Date of Meeting: July 6, 2022



THE NORTHWEST
SEAPORT ALLIANCE
Gateway to Solutions

Terminal 18 South Olympic Tug & Barge, Inc. Second Reading

Presenter: Erin DeBroux
Title: Sr. Real Estate Manager

Action Requested

Request Managing Members of The Northwest Seaport Alliance authorization for the Chief Executive Officer or their delegate to execute a new lease agreement with Olympic Tug & Barge, Inc. at Terminal 18 South.

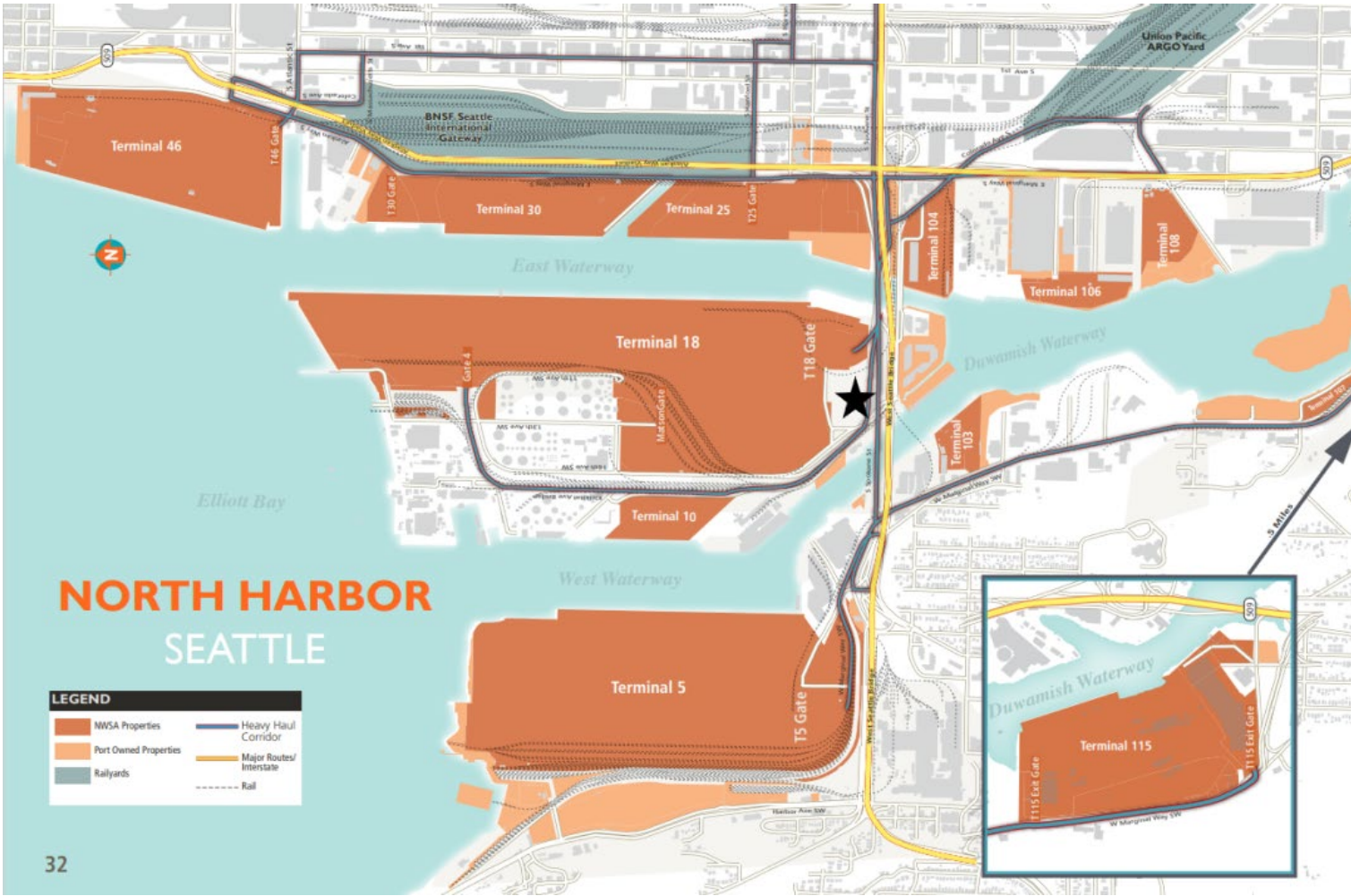


Background

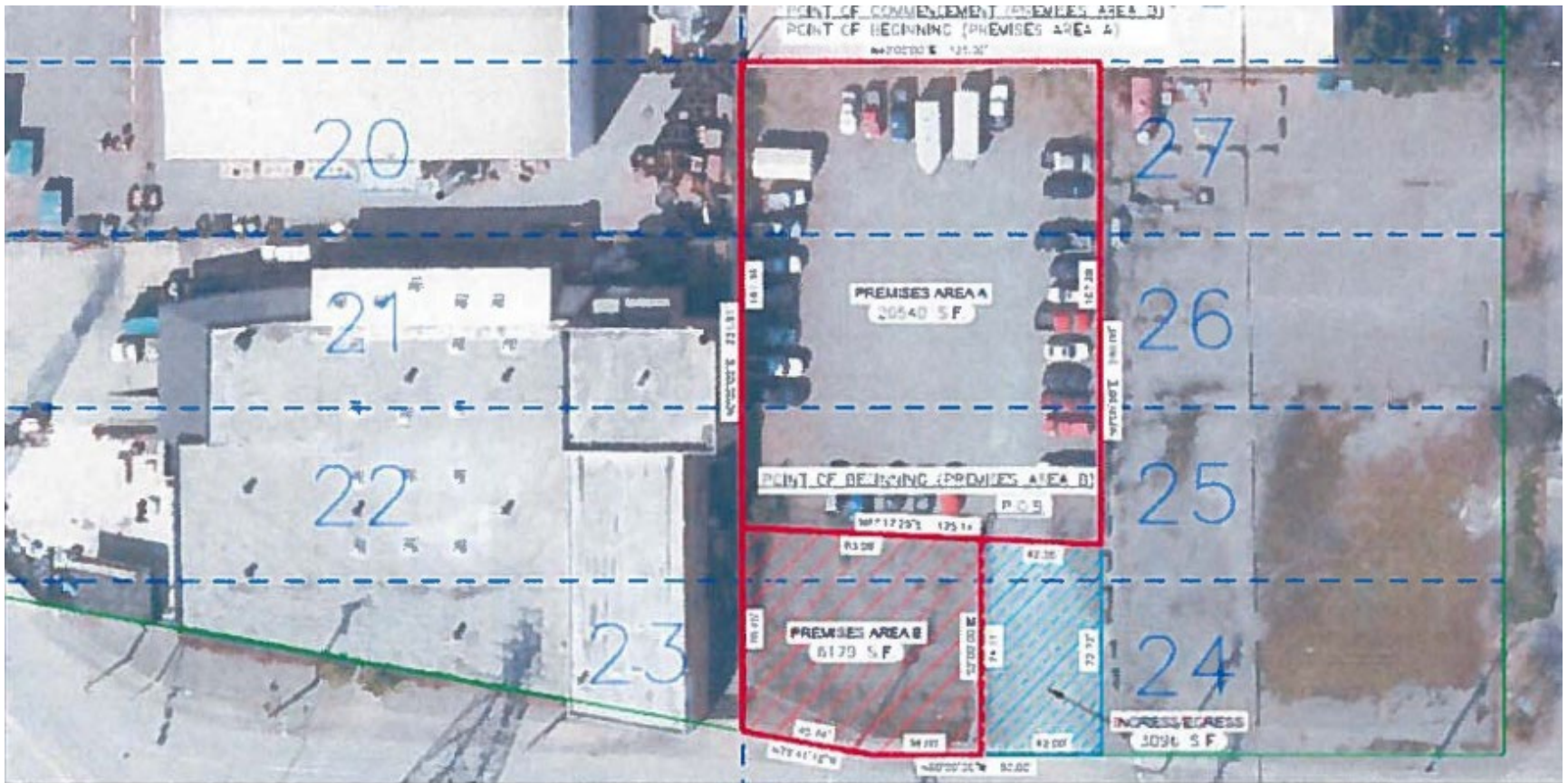
- Olympic specializes in marine services, such as tug assists and escorts, marine towing, and ship bunkering.
- Leased Premises since 2014 to support Harbor Island office location.
- Current lease terminated May 31, 2022 and has been placed in Holdover pending Managing Member approval of the new lease.



Location



Aerial Plan



Key Lease Agreement Terms

Premises:	Approx. 26,719 SF, unimproved yard
Commencement Date:	June 1, 2022
Use:	Employee parking and equipment storage
Term:	Initial 2 yr. term plus 3, 1-year options to renew
Rent:	\$8,015.70/Mo. (\$.30/SF) + WA State LET
Escalation:	Annual by CPI
Security Deposit:	3 month's rent + WA State LET
Insurance:	\$2M per occurrence CGL; \$1M per accident Auto
Utilities & Taxes:	Lessee responsible for all utilities and taxes
Maintenance & Repair:	Lessee responsible for all maintenance and repair
Tenant Improvements:	Completed at Lessee's sole cost and expense and subject to prior review and approval by Lessor



Financial Implications

- Initial monthly revenue is \$8,015.70 (\$96,188.40/year) with annual increases by CPI
- Estimated NPV for 5-year term is: \$431,361
- Rate is consistent with unimproved yard rates within Seattle
- There are no capital expenditures associated with this lease



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