

Date of Meeting: March 7, 2017  
Item No.: 4A



**THE NORTHWEST  
SEAPORT ALLIANCE**  
Gateway to Solutions

# CanAm Lease – 3701 Taylor Way, Tacoma, WA

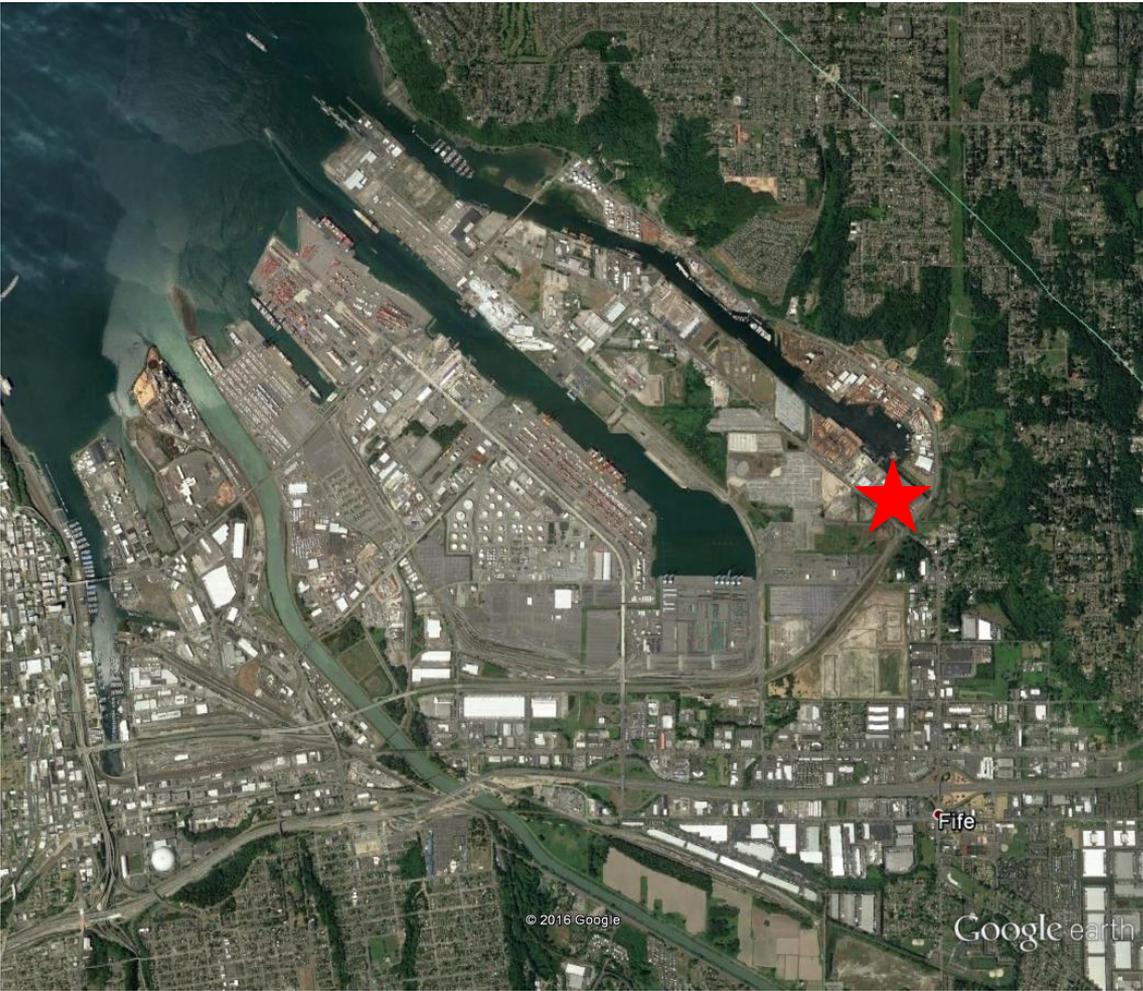
Presenter: Scott Francis  
Director, Port of Tacoma Real Estate

# Action Requested

Request authorization for The Northwest Seaport Alliance Chief Executive Officer or his designee to enter into a ten (10) year lease with CanAm Minerals, Inc. for the premises located at 3701 Taylor Way, Tacoma, WA.



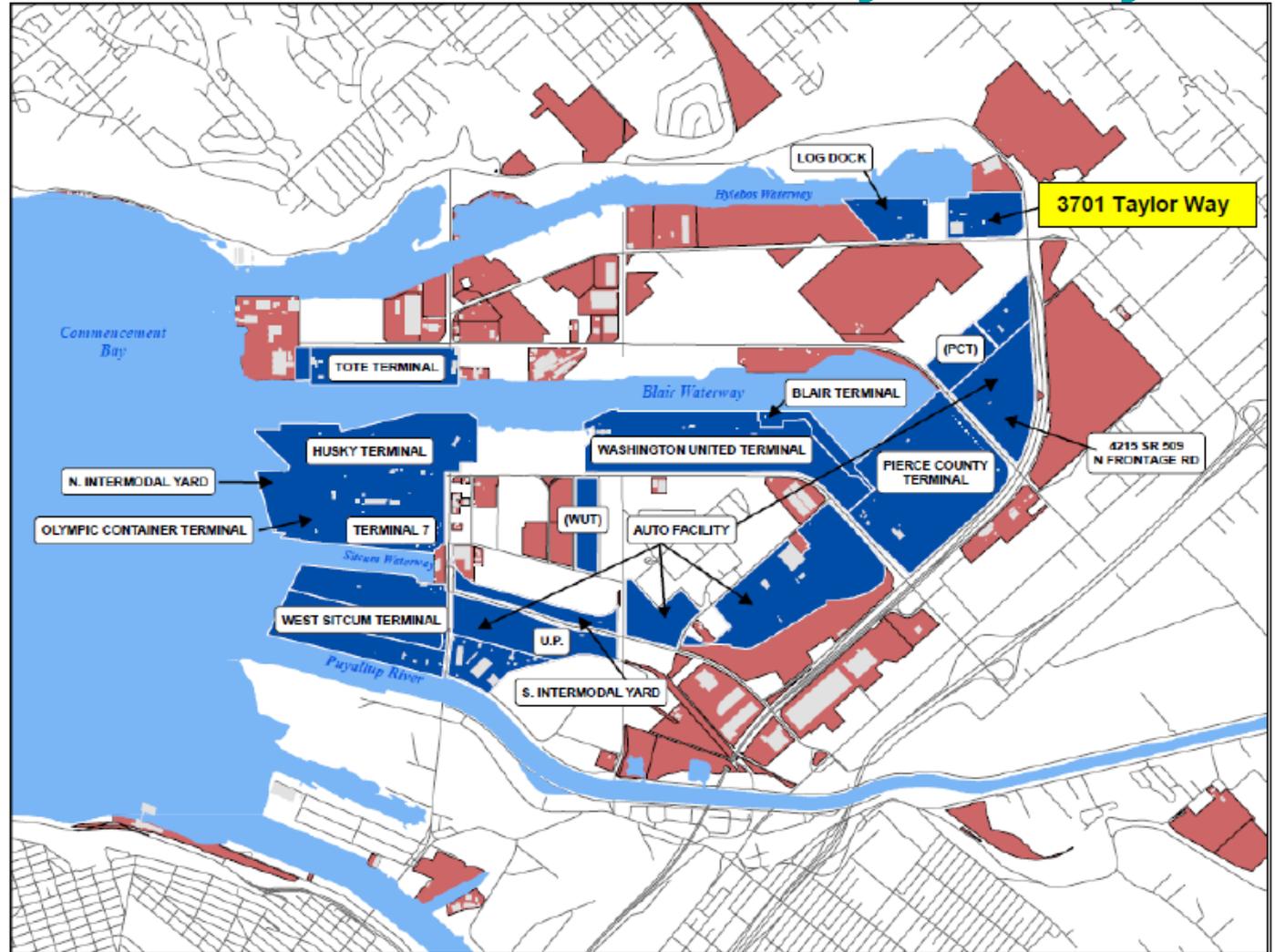
# CanAm Lease Location – 3701 Taylor Way



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## Exhibit Key

-  NWSA
-  POT
-  3701 Taylor Way



# CanAm Lease Premises – 3701 Taylor Way

## Exhibit Key

-  Yard
-  Warehouse



# Background

- CanAm has operated on the tide flats at the South Harbor for 20 years at 1110 Alexander Avenue.
- CanAm became a tenant of the Port when the property located at 1110 Alexander Avenue was purchased in 2008.
- CanAm receives grit from Alaska via barge and processes it for Pabco Roofing and many other local businesses.
- In October 2012, CanAm moved to 3701 Taylor when the dock at 1110 Alexander Avenue became unusable.



# Background Continued

- The Port of Tacoma completed roof and structural repairs on the warehouse at 3701 Taylor Way in May 2016.
- Upon completion of these repairs, CanAm leased the entire warehouse on a month-to-month lease.
- CanAm now wishes to enter into a 10-year lease for the same premises they are currently leasing.



# Key Lease Terms

- **Premises:** 58,081 square feet of warehouse and about .69 acres of yard space.
- **Dock Access:** Non-preferential use of the dock subject to wharfage and dockage fees.
- **Lease Term:** 10 years commencing April 1, 2017.
- **Extensions:** Two additional five (5) year extensions with mutual approval.
- **Rent:** \$18,586/mo. plus leasehold excise tax (\$223,031/yr.)
- **Rent Escalations:** Annually by CPI-U.



# Key Lease Terms Continued

- **Security Deposit:** \$251,670
- **Insurance:** \$5 million general liability, \$2 million pollution liability, and \$1 million auto liability.
- **Lessor Maintenance Responsibilities:** Roof, foundation, building structure, fire suppression and underground utilities.
- **Lessee Maintenance Responsibilities:** Mechanical, plumbing, electrical, windows and doors.
- **Environmental:** Best management practices are implemented for CanAm operations and Environmental staff monitor barge off-loads.



# Key Lease Benefits

- Provide continued support and growth opportunities for a long-term tenant at the South Harbor.
- CanAm has about 15 employees on the tide-flats.
- CanAm is a primary supplier to Pabco Roofing manufacturing facility located on the tide flats.
- Grit products from CanAm support many other businesses in the region.
- This lease is a good use for the facility and it mixes well with the other tenants on the property.



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