

Item No.: 8C

Date of Meeting: September 7, 2022

# First Reading – Pacific Coast Container New Lease, Terminal 104



**THE NORTHWEST**  
SEAPORT ALLIANCE

SEATTLE + TACOMA

Presenter Name: Erin DeBroux  
Presenter Title: Sr. Real Estate Manager

# ACTION REQUESTED

No action is requested at this first reading. The following action will be made at the October 4, 2022 meeting:

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to execute a new lease agreement in substantially the form attached with Pacific Coast Container, Inc. at Terminal 104.

# Background

- Pacific Coast Container (PCC) is a full-service third-party logistics company handling import, export, and general and specialty cargo
- PCC has requested a new, long-term lease
- Leased this location since 2010



Terminal 46

T46 Gate

BNSF Seattle International Gateway

Terminal 30

Terminal 25

T25 Gate

T104

Terminal 108

Terminal 106

East Waterway

Terminal 18

T18 Gate

Duwamish Waterway

Gate 4

Terminal 10

Elliott Bay

West Waterway

# NORTH HARBOR SEATTLE

## Location

### LEGEND

- NWSA Properties
- Port Owned Properties
- Railyards
- Heavy Haul Corridor
- Proposed Interstate
- Rail

5 Miles

Terminal 115

T115 Exit Gate

Harbor Ave SW

W Marginal Way SW

# Aerial Plan

W KLICKITAT WAY

SPOKANE

WEST SEASIDE

S SPOKANE ST

EAST MARG DUWAMISH BRG

DUWAMISH AVES

Warehouse = 41,280 SF  
Office = 4,800 SF

Yard Area = 425,112 SF

Rail Area = 26,171 SF

DUWAMISH AVE S

DUWAMISH AVE S

EAST MARGINAL WAY S



# Key Lease Terms

Premises	Approximately 471,192 total square feet as follows: <ul style="list-style-type: none"><li>• Warehouse: 41,280</li><li>• Office: 4,800</li><li>• Paved Yard: 425,112</li></ul>
Commencement Date	October 1, 2022
Use	Yard storage and staging, transloading, general warehousing, and container fumigation
Term	10-year initial term
Options to Extend	Two (2) five (5) year options to extend upon mutual approval of the Parties
Base Rent	\$194,869.20 per month <ul style="list-style-type: none"><li>• Combined Warehouse/Office Space: \$12.00/sf/yr or \$1.00/sf/mo</li><li>• Paved Yard: \$4.20/sf/yr or \$.35/sf/mo</li></ul>
Escalation to Base Rent	CPI: Annually upon the Commencement Date of October 1, 2022, not to exceed 5% Market Rate Adjustment: Every 60 months at Lessor's option

# Key Lease Terms Continued

Security Deposit	\$1,979,014 (9 months rent plus Washington State LET)
Utilities & Taxes	Lessee responsible for all utilities and taxes.
Alterations	Lessor not responsible to make any alterations.
Maintenance & Repair	Lessee responsible for all maintenance and repair.
Insurance	Lessee will provide proof of all insurance in compliance with NWSA Risk Management policy: <ul style="list-style-type: none"><li>• Commercial General Liability: \$2,000,000 per occurrence</li><li>• Automobile Liability: \$1,000,000 per accident</li></ul>
Tenant Improvements	Completed at Lessee's sole cost and expense, subject to prior review by Lessor

# Financial Implications

- There are no capital expenditures associated with this new lease.
- The initial monthly revenue is \$194,869.20 (\$2,338,430.40/year) with annual increases by CPI.
- The estimated net present value for the potential 20-year total lease term is \$28,935,751. The proposed per square foot rate (\$1.00 warehouse; \$.35 yard) is consistent with similar industrial properties within Seattle.



# ACTION REQUESTED

No action is requested at this first reading. The following action will be made at the October 4, 2022 meeting:

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to execute a new lease agreement in substantially the form attached with Pacific Coast Container, Inc. at Terminal 104.