

Item No.: 8D_Supp
Date of Meeting: September 7, 2022

First Reading – Pacific Coast Container New Lease, Terminal 18



THE NORTHWEST
SEAPORT ALLIANCE
SEATTLE + TACOMA

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

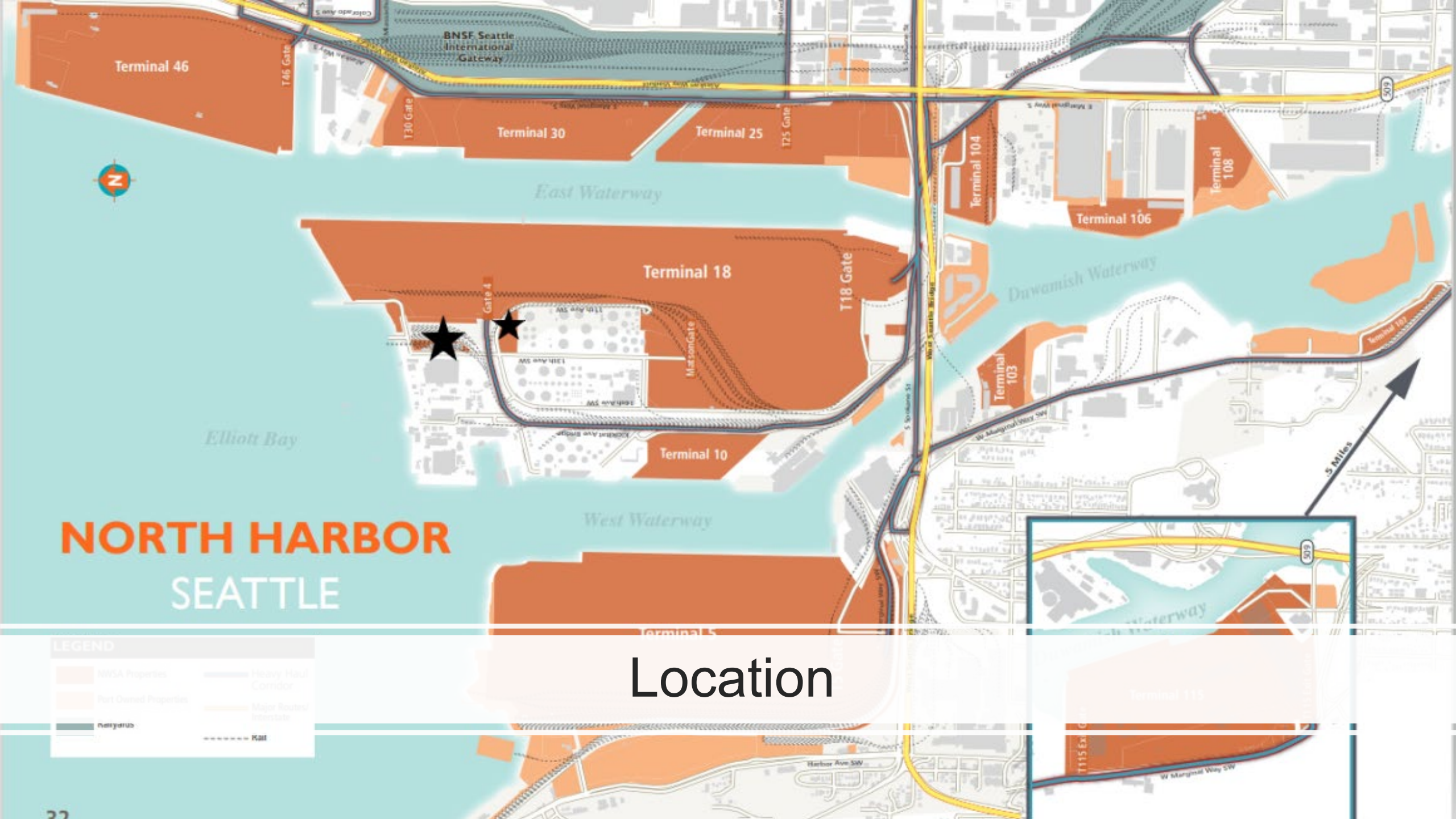
ACTION REQUESTED

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 18.

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 2015



Aerial Plan



13TH AVE SW

13TH AVE SW

13TH AVE SW

PARCEL 1 YARD
41,559 SF

PARCEL 2
YARD
27,775 SF

SW FLORIDA ST

SW FLORIDA ST

SW MASSACHUSETTS ST

Key Lease Terms

Premises	Approximately 86,369 total square feet as follows: <ul style="list-style-type: none">• Warehouse: 17,055• Paved Yard: 41,559• Offsite Paved Yard: 27,755
Commencement Date	October 1, 2022
Use	Container freight station operations, loading and unloading containers, container staging, and general warehousing
Term	10-year initial term
Options to Extend	Two (2) five (5) year options to extend, upon mutual approval of the Parties
Base Rent	\$42,702.65 per month Warehouse: \$12.00/sf/yr or \$1.00/sf/mo Paved Yard: \$4.20/sf/yr or \$.35/sf/mo Offsite Paved Yard: \$4.80/sf/yr or \$.40/sf/mo
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	\$433,671.00 (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">• Commercial General Liability: \$2,000,000 per occurrence• Automobile Liability: \$1,000,000 per accident
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 \$42,702.65 (\$512,431.80/year) with annual increases by CPI.
- The estimated net present value for the potential 20-year total lease term is \$6,340,893. The proposed per square foot rate (\$1.00 warehouse, \$.35 to \$.40 yard) is consistent with similar industrial properties within Seattle.

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