

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	9C
Date of Meeting	July 2, 2024

DATE: June 6, 2024

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial & Strategy Officer

Project Manager: Brittney Kigara, Real Estate Manager

SUBJECT: First Reading - Vane Line Bunkering, LLC Lease at Pier 17

A. ACTION REQUESTED

No final action is requested at this first reading. The following action request will be made at the August 6, 2024 Meeting.

Request the Managing Members of The Northwest Seaport Alliance (“NWSA”) authorize the Chief Executive Officer or their delegate to execute a new lease agreement with Vane Line Bunkering, LLC at Pier 17.

B. SYNOPSIS

Vane Line Bunkering, LLC (“Vane”) has requested a term lease agreement for the moorage of vessels at Pier 17 with a two-year lease plus options to extend. The current lease between Vane and the NWSA is on a month-to-month basis.

C. BACKGROUND

- Vane is a provider of oil transportation services for the marine, power and manufacturing industries on the U.S. East, West and Gulf coasts, as well as in the Great Lakes region.
- Vane has leased the Pier 17 premises since February 17, 2023 to support their Seattle operations.
- Vane previously leased premises at Terminal 5 from February 1, 2021 to February 28, 2023.
- Vane is current with all rental obligations under their existing lease with a strong history of paying on time.

- Lease rate negotiated is reflective of the Seattle real estate market.
- Vane has 5 full-time employees at their Seattle location and uses the premises for moorage of vessels, general office use, and storage of equipment.

D. KEY TERMS

- Premises: Approximately 4,013 square feet of office, warehouse, and yard space plus 500 linear feet of dock space.
 - Approximately 865 square feet of office space
 - Approximately 2,648 square feet of warehouse space
 - Approximately 500 square of laydown/yard area
 - Approximately 500 linear feet of dock space.
- Use: Moorage of Vane Line Bunkering vessels, general office use, storage of equipment related to moorage, and other ancillary activities related to moorage
- Commencement Date: August 1, 2024
- Term: Initial two (2) year term and three (3), one-year options to extend upon mutual approval of the parties.
- Base Rent: Monthly rent is \$15,613.25 plus WA state leasehold excise tax.
 - 865 square feet of office space - \$1,358.05/mo.
 - 2,648 square feet of warehouse space - \$3,045.20/mo.
 - 500 square of laydown/yard area - \$210.00/mo.
 - 500 linear feet of dock space - \$11,000.00/mo.
- Rent Escalation: Annual escalation based on CPI-U. The increase will be no less than 3% nor greater than 5%.
- Security Deposit: \$105,708.00 (six month's base rent + leasehold tax)
- Insurance Requirements:
 - \$2 Million general liability/per occurrence
 - \$1 Million auto liability/per occurrence
 - \$5 Million Protection and Indemnity liability/per occurrence
 - Proof of Property Insurance
- Utilities: All utilities are Lessee's responsibility
- Lessee Maintenance and Repair: Lessee shall make all repairs and replacements which may be necessary or required so that at all times the Premises are in good order, condition and repair.
- Lessor Maintenance and Repair: Lessor shall repair and maintain the roof (both structure and covering/membrane), exterior walls, foundation and building structure and HVAC systems, plumbing, and electrical systems in such buildings, in good order, condition and repair, and repair the parking of which

includes, without limitation, performing parking lot sweeping, to be passed through to Lessee through Annual Operating Expenses.

- Tenant Improvement: Tenant improvements to be completed at Lessee's sole cost and expense subject to prior review and approval by Lessor.

E. FINANCIAL IMPLICATIONS

Source of Funds

There are no capital expenditures associated with this new lease.

Financial Impact

The initial monthly revenue is \$15,613.25 (\$187,359.00/year) with annual increases by CPI-U.

F. ENVIRONMENTAL IMPACTS/REVIEW

No improvements, maintenance, or operational changes requiring permits, authorization, or additional environmental reviews are considered as part of this action.

G. ATTACHMENTS TO THIS REQUEST

- Proposed Lease Agreement

Pier 17 – Vane Line Bunkering, LLC – First Reading



THE NORTHWEST
SEAPORT ALLIANCE
SEATTLE + TACOMA

Presenter: Brittney Kigara, Real Estate Manager

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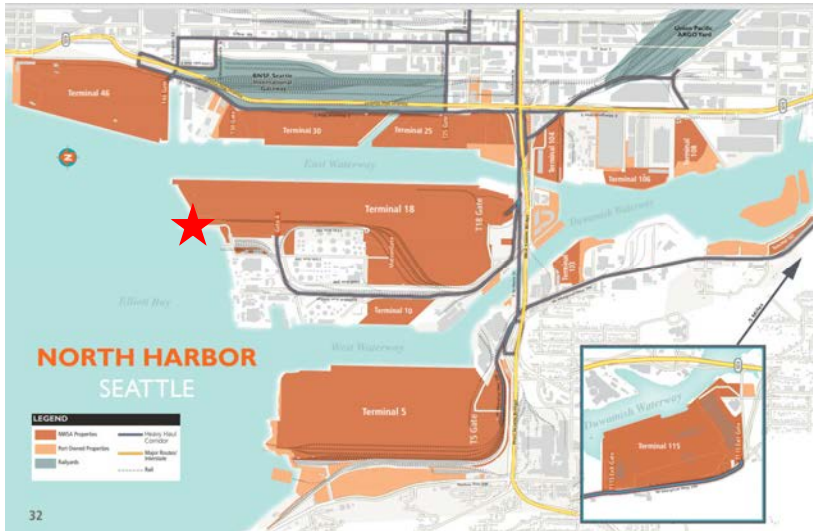
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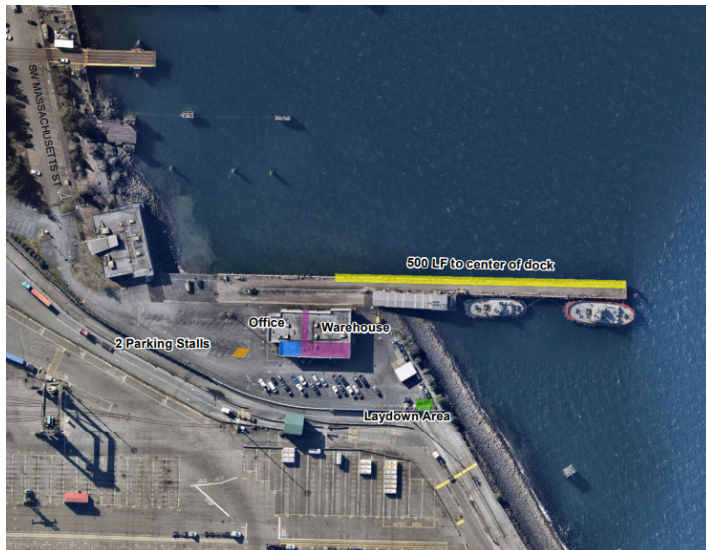
Location



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Premises



- Office = 865 SF
- Warehouse = 2,648 SF
- Laydown Area = 500 SF
- 500 LF to Center of Dock
- 2 Parking Stalls

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Key Terms

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Rent Escalation	Annual escalation based on CPI-U. The increase will be no less than 3% nor greater than 5%.
Security Deposit	\$105,708.00 (six month's base rent + leasehold tax)
Insurance	<ul style="list-style-type: none"> • \$2 Million general liability/per occurrence • \$1 Million auto liability/per occurrence • \$5 Million Protection and Indemnity liability/per occurrence • Proof of Property Insurance
Utilities	<ul style="list-style-type: none"> • All utilities are Lessee's responsibility

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Key Terms

Lessee Maintenance and Repair	Lessee shall make all repairs and replacements which may be necessary or required so that at all times the Premises are in good order, condition and repair.
Lessor Maintenance and Repair	Lessor shall repair and maintain the roof (both structure and covering/membrane), exterior walls, foundation and building structure and HVAC systems, plumbing, and electrical systems in such buildings, in good order, condition and repair, and repair the parking of which includes, without limitation, performing parking lot sweeping, to be passed through to Lessee through Annual Operating Expenses.
Tenant Improvement	Tenant improvements to be completed at Lessee's sole cost and expense subject to prior review and approval by Lessor.

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Financial Implications

- The initial monthly revenue is \$15,613.25 (\$187,359.00/year) with annual increases by CPI-U.
- There are no capital expenditures associated with this lease.

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Environmental Impacts / Review

No improvements, maintenance, or operational changes requiring permits, authorization, or additional environmental reviews are considered as part of this action.

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