

First Reading: Guy F. Atkinson Construction, LLC Lease 3600 Port of Tacoma Rd.

Presenter:

Scott Francis
Director, Real Estate
Port of Tacoma



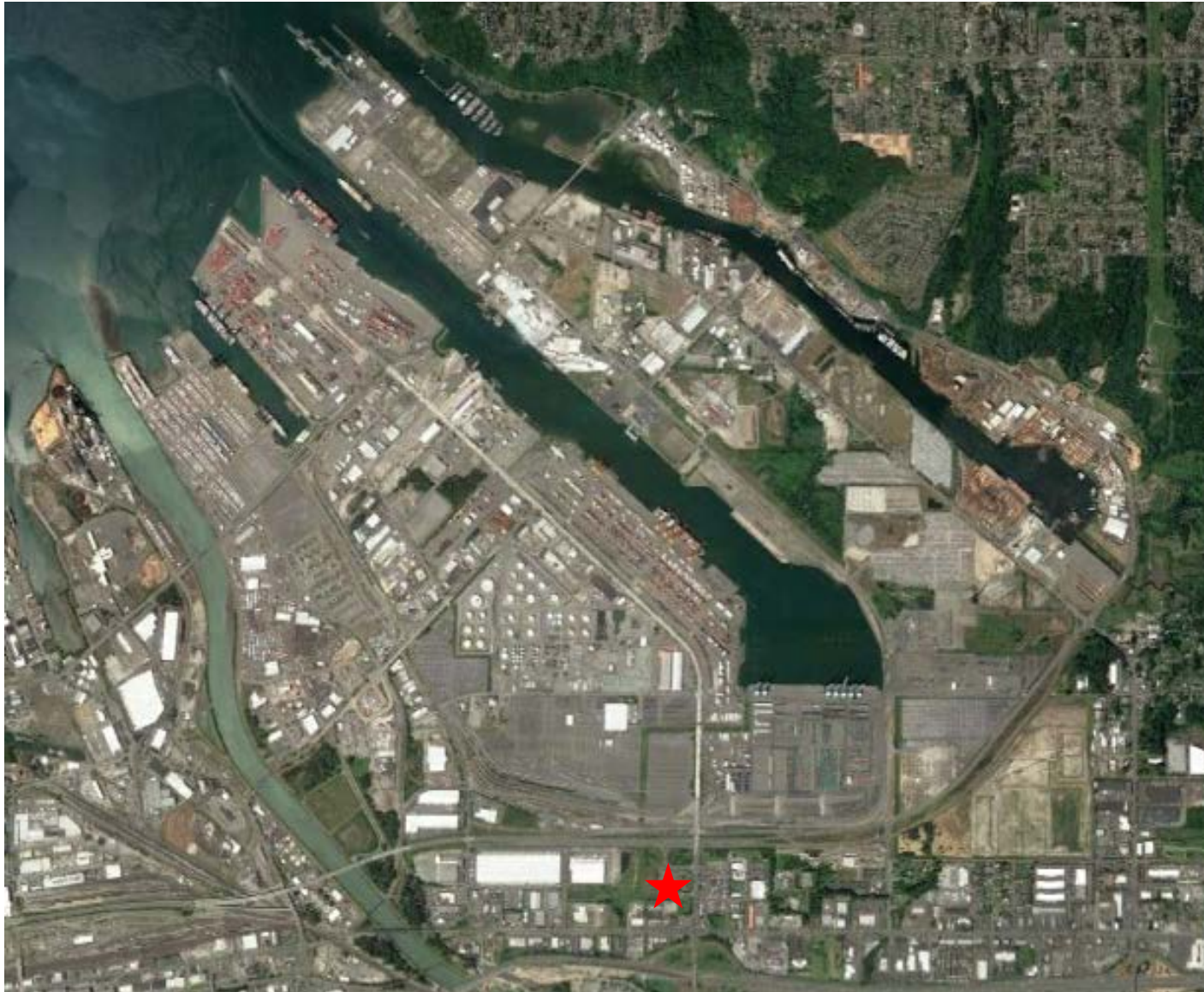
Action Request



No action is requested at the First Reading. The following Action Request will be made at the February 21, 2019 meeting.



Authorization for the Chief Executive Officer or his designee to enter into a three-year lease with Guy F. Atkinson Construction, LLC. for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, WA.

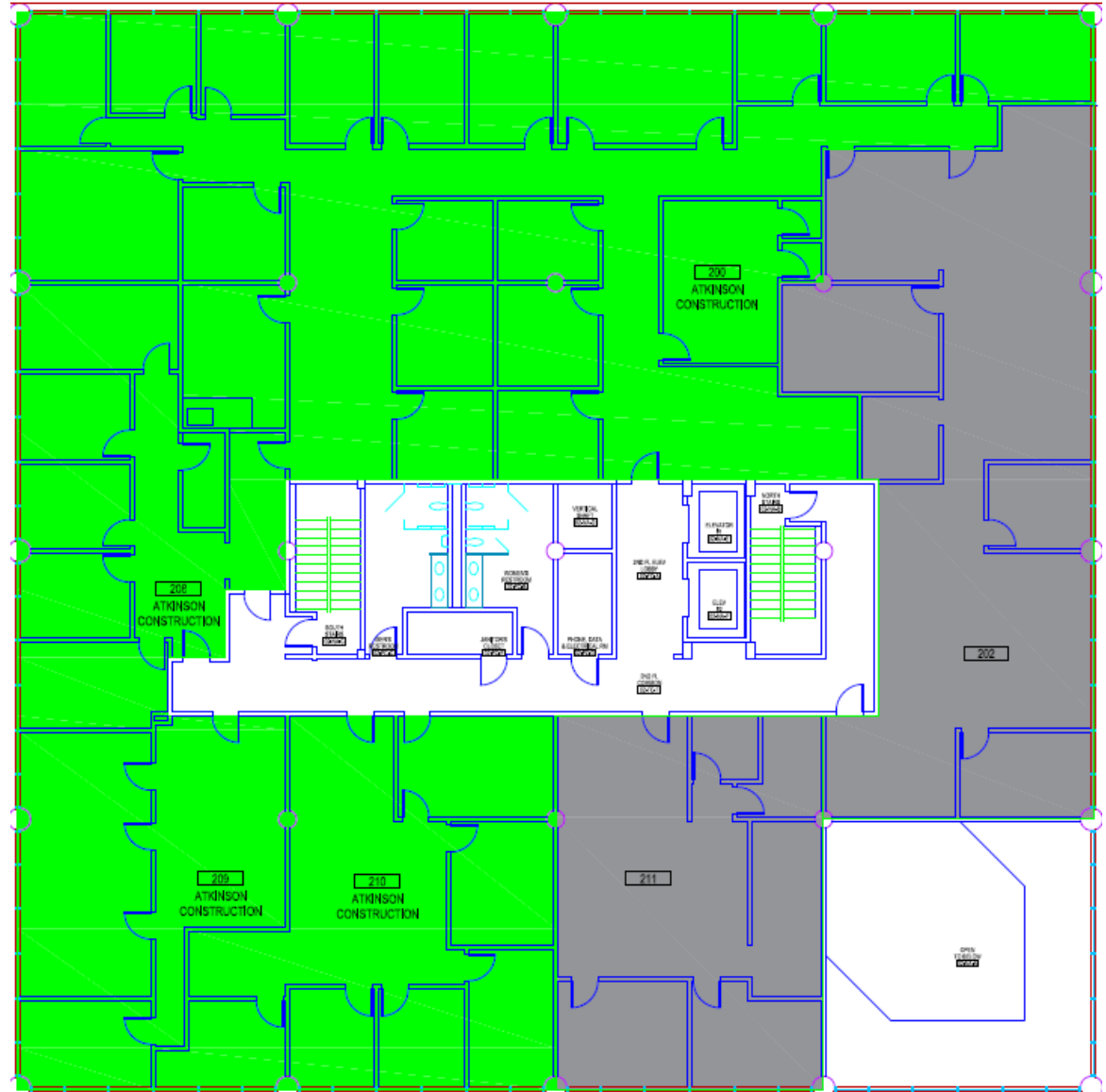
Atkinson – Lease Location



Atkinson – Lease Premises



-  Atkinson Leased Space
-  Unleased Space



Background



- Guy F. Atkinson Construction, LLC (Atkinson), a subsidiary of Clark Construction Group, was founded in 1926. Their corporate headquarters are located in Golden, Colorado.
- Atkinson is a contractor working on the I-5 expansion project.
- Atkinson is currently leasing 9,615 sq. ft. of office space in the Fabulich Center on a month to month lease.
- Atkinson now wishes to convert their month to month lease to a long-term lease.

Atkinson – Lease Terms



- Use: Professional office space.
- Premises: Approximately 9,615 rentable square feet.
- Lease Term: Three (3) years.
- Rent: \$16,425.63/mo. (\$197,107/yr.)
- Rent Commencement Date: March 1, 2019.
- Rent Escalation: Annual 2.5% increase.
- Utility Expenses: Lessor responsibility.
- Security Deposit: \$222,416 (one year's rent + leasehold excise tax)
- Insurance Requirements: \$2 Million General Liability.
- Building maintenance and repair: Lessor's responsibility.

Atkinson – Lease Benefits



- Atkinson will have about 35 new Tacoma positions working in the Fabulich Center.
- Continued utilization of Fabulich Building office space.
- Indirectly, this lease supports the I-5 expansion project which promotes the efficient movement of cargo to and from the Port of Tacoma.

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