

# COMMISSION AGENDA

Item No: 4C

Meeting: 10/25/2018

**DATE:** October 10, 2018

**TO:** Port Commission

**FROM:** John Wolfe, Chief Executive Officer  
Sponsor: Tong Zhu, Chief Commercial Officer & Chief Strategy Officer  
Project Manager: Scott Francis, Director of Real Estate, Port of Tacoma

**SUBJECT:** Three-Year Lease with Best Way Trucking, Inc., dba GSC Logistics.  
3600 Port of Tacoma, Suite 505, Tacoma, WA

## A. ACTION REQUEST

**SECOND READING/ADOPTION:** Authorization for the Chief Executive Officer or his designee to enter into a three-year lease with Best Way Trucking, Inc. dba GSC Logistics for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, WA.

## B. BACKGROUND

- GSC Logistics was founded in the Bay Area of California in 1988 and is now headquartered in Oakland, CA.
- GSC expanded into the Pacific Northwest in 2011 with the purchase of Best Way Trucking. Best Way Trucking now operates as GSC Logistics (GSC).
- GSC provides transportation services for ocean and intermodal containers, as well as cross-dock/transload services of both imported and domestic cargos.
- GSC currently operates a yard in Seattle offering drayage and over the road services.
- In 2017 GSC opened an office and a food grade warehouse in Renton, WA.
- GSC now wishes to relocate their Renton office to the Port of Tacoma.

## C. PRIMARY LEASE TERMS

- Use: Professional offices.
- Premises: Initial area is 5,356 SF. The premises will increase to 6,507 SF within six months.
- Lease Term: Three (3) years with a mutual option to extend.
- Early access is provided to allow Lessee access to complete tenant improvements and install phone and data services, etc.
- Initial Rent: \$8,926/mo. (\$107,112/yr.). Within six months, rents increase to \$10,845/mo. (\$130,140/yr.).
- Rent Commencement Date: about December 1, 2018
- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Utility Expenses: Lessor responsibility.
- Security Deposit: \$120,874 (one year's rent + leasehold tax)
- Insurance Requirements: \$2 Million General Liability.

**D. TIMEFRAME/PROJECT SCHEDULE**

Lease First Reading	September 20, 2018
Lease Second Reading	October 25, 2018
Rent Commencement	December 1, 2018
Lease Term	Three Years

**E. FINANCIAL SUMMARY**

- Initial rents at \$8,926/mo. (\$107,112/yr.)
- Rents increased within six-months to \$10,845/mo. (\$130,140/yr.)

**F. ECONOMIC INVESTMENT / JOB CREATION**

- This Lease brings 18 new jobs to Tacoma.
- Utilization of unused office space within the Fabulich Building.

**G. ENVIRONMENTAL IMPACTS / REVIEW**

No environmental impacts.

**H. NEXT STEPS**

Upon Commission approval of the requested action, the Port Chief Executive Officer or his designee will enter into the Lease which will commence on or about December 1, 2018.