

First Reading: NTR Logistics Lease – 1702 Port of Tacoma Rd.

Presenter:

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Port of Tacoma



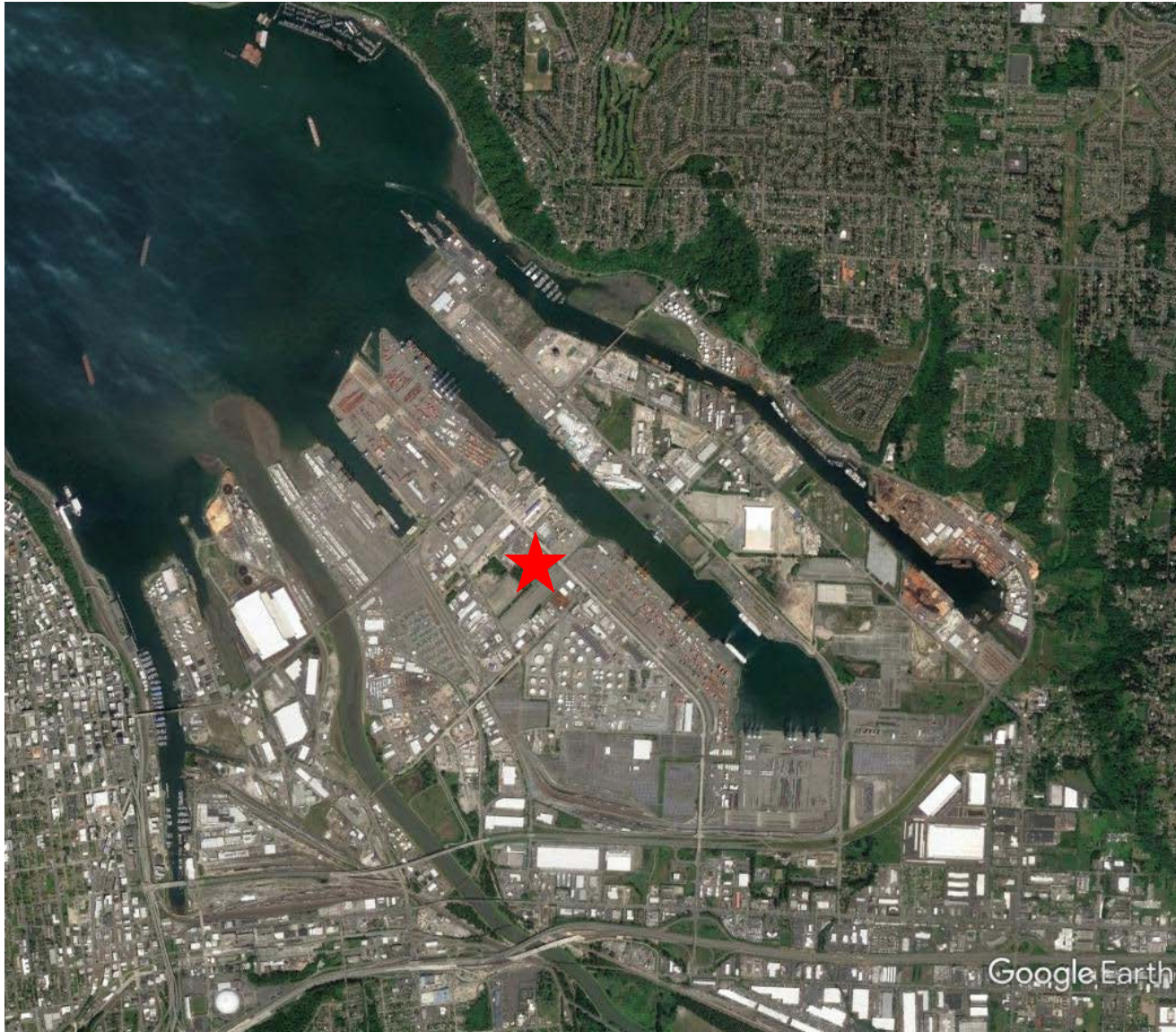
Action Request



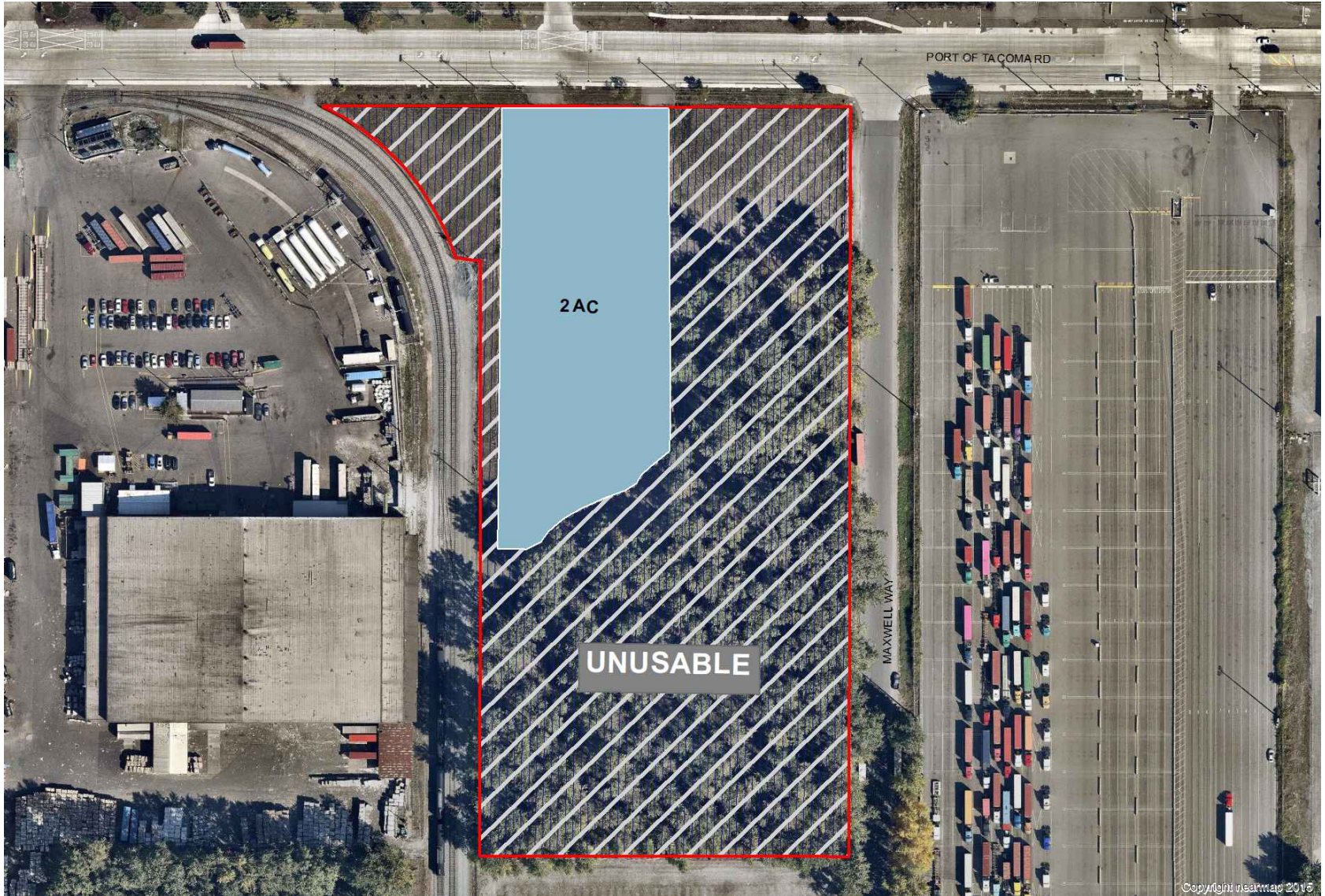
No action is requested at the First Reading. The following Action Request will be made at the May 9, 2019 meeting.

Authorization for the Chief Executive Officer or his designee to enter into a three-year lease with NTR Logistics LLC for yard space located at 1702 Port of Tacoma Road, Tacoma, WA.

NTR Logistics – Lease Location



NTR Logistics – Lease Premises



Background



- NTR Logistics has operated in the Port of Tacoma tideflats since 2012.
- NTR transloads and hauls tower flanges, hubs, and bed frames for windmills, which are imported mostly through WUT and sometimes Husky Terminal.
- NTR has leased this site on a month-to-month lease since November 2018.
- NTR wishes to execute a 3-year lease, with two, 1-year, mutually approved extensions.

NTR Logistics – Lease Terms



- Use: Transloading and truck/trailer parking.
- Premises: 2 acres of yard space.
- Lease Term: Three (3) years with two, one-year mutually approved options to extend.
- Rent: \$12,000/mo. (\$144,000/yr.)
 - \$0.14 per square foot per month.
- Rent Commencement Date: June 1, 2019.
- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Utility Expenses: Lessee responsibility.

NTR Logistics – Lease Terms Cont'd



- Security Deposit: \$162,490 (one year's rent + leasehold tax)
- Insurance Requirements: \$2 Million General Liability.
- Maintenance and repair responsibilities are Lessee's.

NTR – Lease Benefits



- This lease retains 5 jobs in Tacoma.
- Continued utilization of Port property.
- Approximately 30 flat-racks are shipped through the Port of Tacoma each month.
- This lease supports the Port's core business of moving international cargo.
- The monthly rent of \$12,000 or \$144,000 annually is an increase over the budgeted 2019 operating revenue.
- This is an increase over prior year's actuals which only included two months of rent at this property.

Action Requested

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