

Item: 6A
Date: 2/2/2023

First Reading: Afar Logistics LLC Lease 2810-A Marshall Ave

Shannon Bartlett
Real Estate Manager
Port of Tacoma

February 2, 2023



No action is requested at the First Reading. The following Action Request will be made at the February 21, 2023 meeting.

Authorization for the Executive Director or his designee to enter into a three-year lease with Afar Logistics LLC for the premises including approximately 34,801 sf of warehouse, 1,181 sf of office, 1.34 acres of yard and parking area, and 0.33 acres of common driveway area located at 2810-A Marshall Avenue, Tacoma, WA. (Section III.B.2 of the Master Policy Resolution requires two readings for new leases other than at the Fabulich Center.)

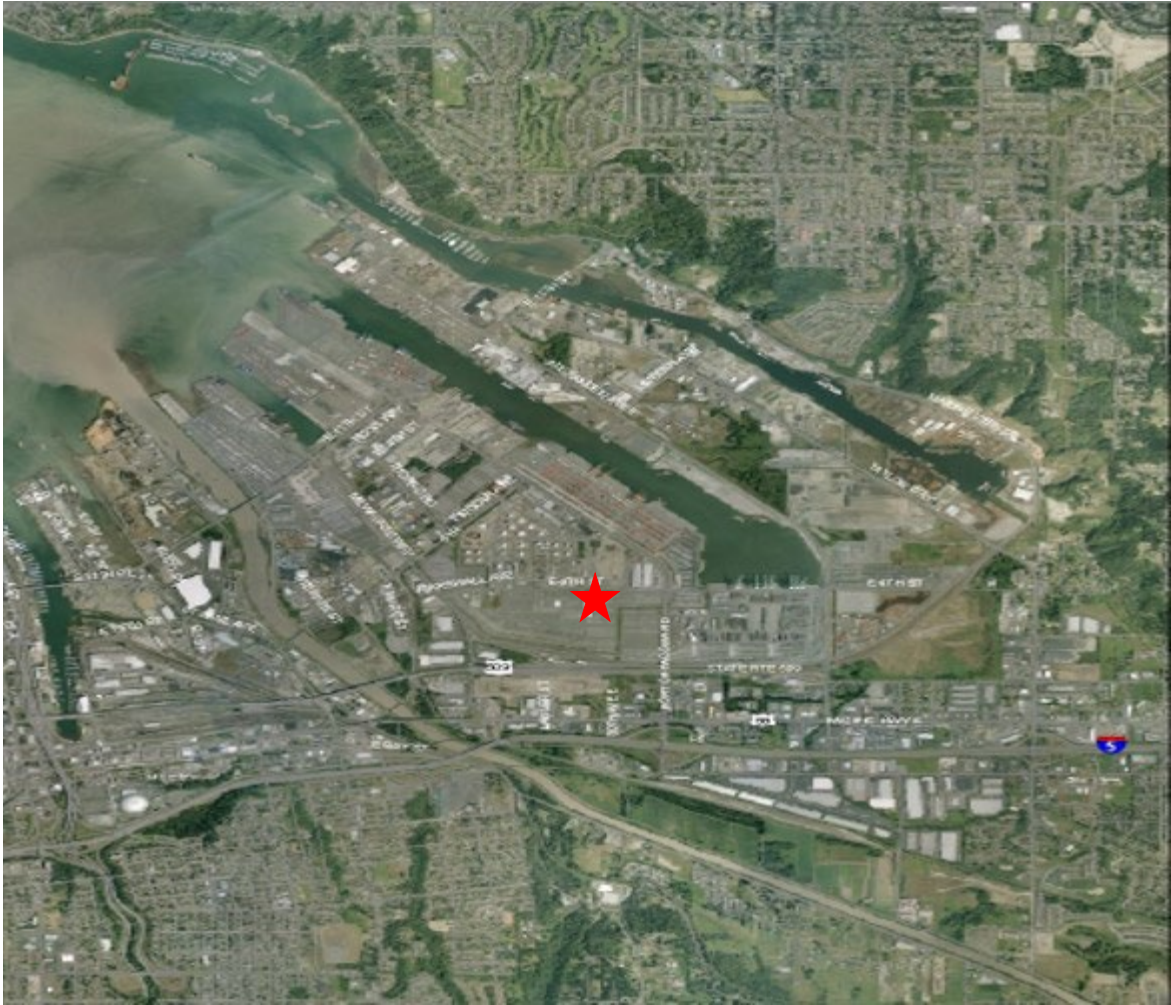


Background



- Afar has been in business since 2009 and has been servicing the Port of Seattle and Port of Tacoma areas for 14 years.
- Afar is looking to expand in Tacoma by leasing the warehouse by providing warehousing and transloading services. This will create 10 jobs for warehouse, office personnel, forklift operators, and yard jockey driving positions.
- Afar Trucking, Inc. has leased yard space from the NWSA at Terminal 10 from January 1, 2016 – December 9, 2022.
- Afar is now a sub-tenant at T-10, subleasing from Ray-Mont Logistics. Afar uses T-10 for truck and chassis storage.
- Afar has a strong tenancy history with the NWSA and their account consistently remained in good standing.

Afar Logistics LLC Lease Location



Afar Logistics LLC Lease Premises



Afar Logistics LLC Lease Terms



- **Lease Premises:** Approx. 34,801 sf of warehouse, 1,181 sf of office, 1.34 acres of yard and parking area, and 0.33 acres of common driveway area
- **Use:** Warehousing and transloading from ocean containers to over the road trucks for inland transportation
- **Lease Commencement Date:** March 1, 2023
- **Lease Term:** Three years with two, one-year extensions upon mutual approval
- **Rent:** \$32,620.00/mo. (\$391,440.00/yr.)
- **Rent Escalation:** Annual escalation based on CPI-U Seattle-Tacoma-Bellevue
- **Security Deposit:** \$441,701.00 (one year's rent + leasehold tax)
- **Insurance Requirements:**
 - \$2 Million general liability
 - \$1 Million auto liability

Afar Logistics LLC Lease Terms (Continued)



- **Utilities:** Lessee's responsibility
- **Lessee Maintenance / Repair Responsibility:**
 - Minor building electrical system repairs
 - Secondary plumbing system: sinks, toilets, fixtures, minor leaks, plugs
 - Interior door repairs and roll up door repairs and maintenance
 - Storm water system cleanout
- **Lessor Maintenance / Repair Responsibility:**
 - Major building electrical system repairs
 - Building, roof, gutters, and exterior walls
 - Primary plumbing system
 - Fire suppression system
 - Fencing and gates maintenance repair

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