

COMMISSION AGENDA

Item No: 7D

Meeting: 11/18/21

DATE: November 3, 2021

TO: Port Commission

FROM: Eric Johnson, Executive Director
Sponsor: Scott Francis, Director, Real Estate
Project Manager: Annika Bjorkman, Real Estate Property Manager

SUBJECT: Three-Year Lease with Evergreen Shipping Agency (America) Corporation
3600 Port of Tacoma Road, Suite 303, Tacoma, WA

A. ACTION REQUESTED

Authorization for the Executive Director or his designee to enter into a three-year lease with Evergreen Shipping Agency (America) Corporation for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, WA.

B. BACKGROUND

- Everport Terminal Services is a subsidiary of Evergreen Shipping Agency.
- Everport Terminal Services has operated the Pierce County Terminal since February 1, 2005.
- Everport's terminal lease at Pierce County Terminal includes approximately 158 acres.
- Everport handled about 355,555 TEU's in 2020 and had about 100 vessel port calls.
- Evergreen has been a tenant at the Fabulich Center since January 1, 2009.
- The current lease terminates December 31, 2021.
- Evergreen wishes to execute a new lease for Suite 303 at the Fabulich Center.

C. PRIMARY LEASE TERMS

- Use: Professional offices.
- Premises: Approximately 899 rentable square feet.
- Lease Term: Three (3) years with three one-year mutual options to extend.
- Rent: \$1,562/mo. (18,750/yr.)
 - \$20.88/per square foot annually.
- Rent Commencement Date: January 1, 2022.
- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Utility Expenses: Lessor responsibility.
- Security Deposit: \$21,158 (one year's rent + leasehold tax)
- Insurance Requirements: \$2 Million General Liability.
- All normal building maintenance and repair responsibilities are Lessor's.

D. TIMEFRAME/PROJECT SCHEDULE

Lease Reading	November 18, 2021
Rent Commencement	January 1, 2022
Lease Term	Three Years

E. FINANCIAL SUMMARY

Initial rent at \$1,562/mo. (\$18,750/yr.)

F. ECONOMIC INVESTMENT / JOB CREATION

- This lease retains 2 jobs in Tacoma.
- Continued utilization of office space in the Fabulich Center.
- Evergreen provides marine transportation services that support the Port's core business of moving international containerized cargo.

G. ENVIRONMENTAL IMPACTS / REVIEW

No environmental impacts.

H. NEXT STEPS

Upon Commission approval of the requested action, the Executive Director or his designee will enter into the Lease which will commence on January 1, 2022.