

Propeller Club Lease 3600 Port of Tacoma Road

Presenter:
Scott Francis
Director, Real Estate
Port of Tacoma



Action Request



Authorization for the Executive Director or his designee to:

1. Enter into a month-to-month lease with the Propeller Club of the United States, Port of Tacoma for 418 square feet of office space located in the Fabulich Center located at 3600 Port of Tacoma Road, Tacoma, WA.
2. Waive the Port's Master Policy Resolution 2021-08-PT requirement to lease Port property at market rate, and
3. Adopt the following findings in support of the waiver.
 - a. The Port's statutory authority includes the leasing of Port property and engaging in economic development programs, which the Propeller Club activities support.
 - b. There is no intent for the Port to make a gift of public funds through the proposed lease.
 - c. The expenditure benefits the public even though there may be some ancillary public benefit because the Propellor Club's mission and programs support the Puget Sound maritime industry and Port support is consistent with Port Foundational Goal of Economic Vitality in the 2021-2026 Strategic Plan ("Advance living-wage job creation and business development opportunities in Pierce County with a focus on marine trade and transportation.")

Propeller Club – Lease Location

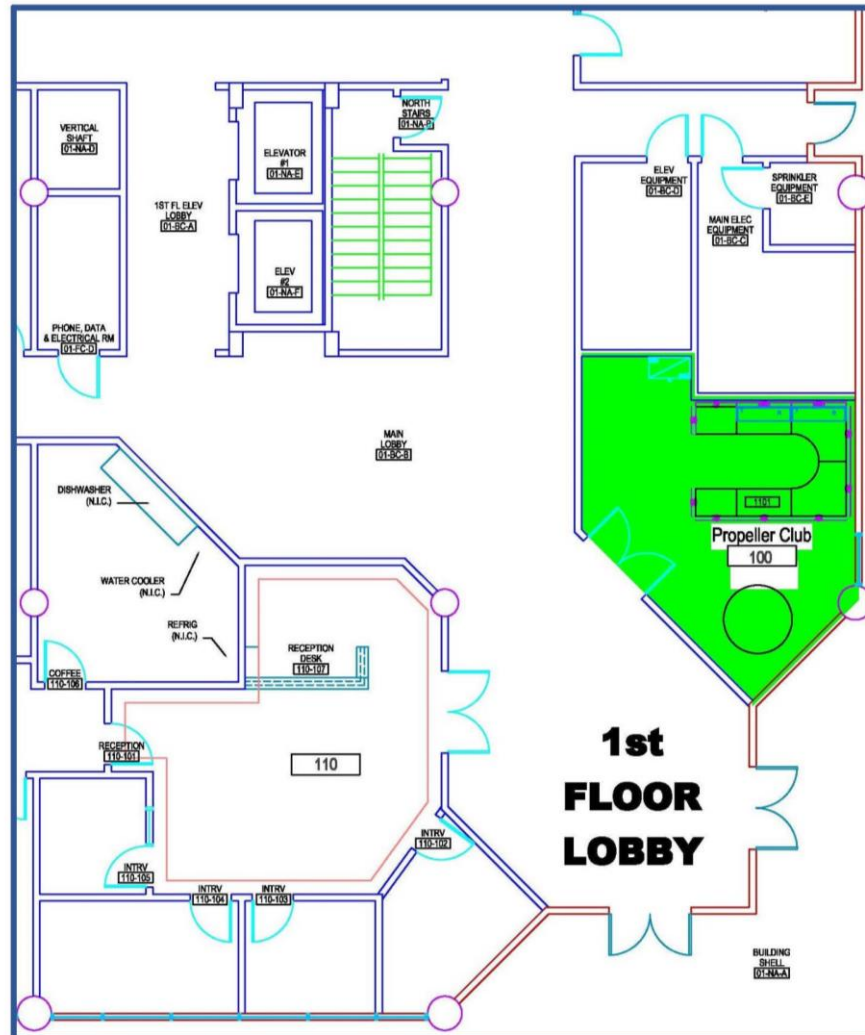


The Fabulich Center



Propeller Club – Lease Premises

418 sf Office Space



Background



- The Tacoma Propeller Club is a member club of the International Propeller Club of the United States.
- The club's membership is a comprehensive representation of marine industry core companies in the greater Puget Sound including marine suppliers, marine surveyors, naval architects, marine engineers, shipping companies, port administrators, towing companies, chemical companies, and petroleum companies.
- The Port of Tacoma Propeller Club arranges the Lelli Memorial Scholarship program where member companies in the international trade and maritime community sponsor high school students for an all-day event that includes tours of the Port of Tacoma and local businesses.

Background Continued



- The Port of Tacoma Propeller Club has provided approximately \$30,000 in college scholarships over the past five years.
- The Port of Tacoma Propeller Club wishes to execute a month-to-month lease for 418 square feet of office space located in the Fabulich Center at the below market rate of \$550/mo. Market rate is \$766/mo.
- All other leases in the Fabulich Center are at market rate.
- The Master Policy Resolution 2021-08-PT Exhibit “A” Section B(3) Governing Port Real Property states “Rental/lease rates shall be based upon market rates established for the specific use under consideration and the condition of such facility”.

Propeller Club – Lease Terms



- Use: Professional offices
- Premises: Approximately 418 sf of office space
- Lease Term: Month-to-month
- Office Rent: \$550/mo. plus leasehold excise tax.
- Lease Commencement Date: Approximately June 1, 2022.
- Rent Escalation: Annually by CPI-U.
- Initial Security Deposit: \$1,862 (three month's rent + leasehold excise tax)
- Insurance Requirements: \$2 Million General Liability.
- Utility Expenses: Lessor responsibility.
- Building maintenance and repair: Lessor responsibility

Propeller Club – Lease Benefits



The Tacoma Propeller Club promotes the maritime industry through its many programs and by partnering with similar organizations. In addition, the Propeller Club supports workforce development for the maritime industry.

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