

First Reading: The North West Company (International) Inc. 2000 Taylor Way

Presenter:

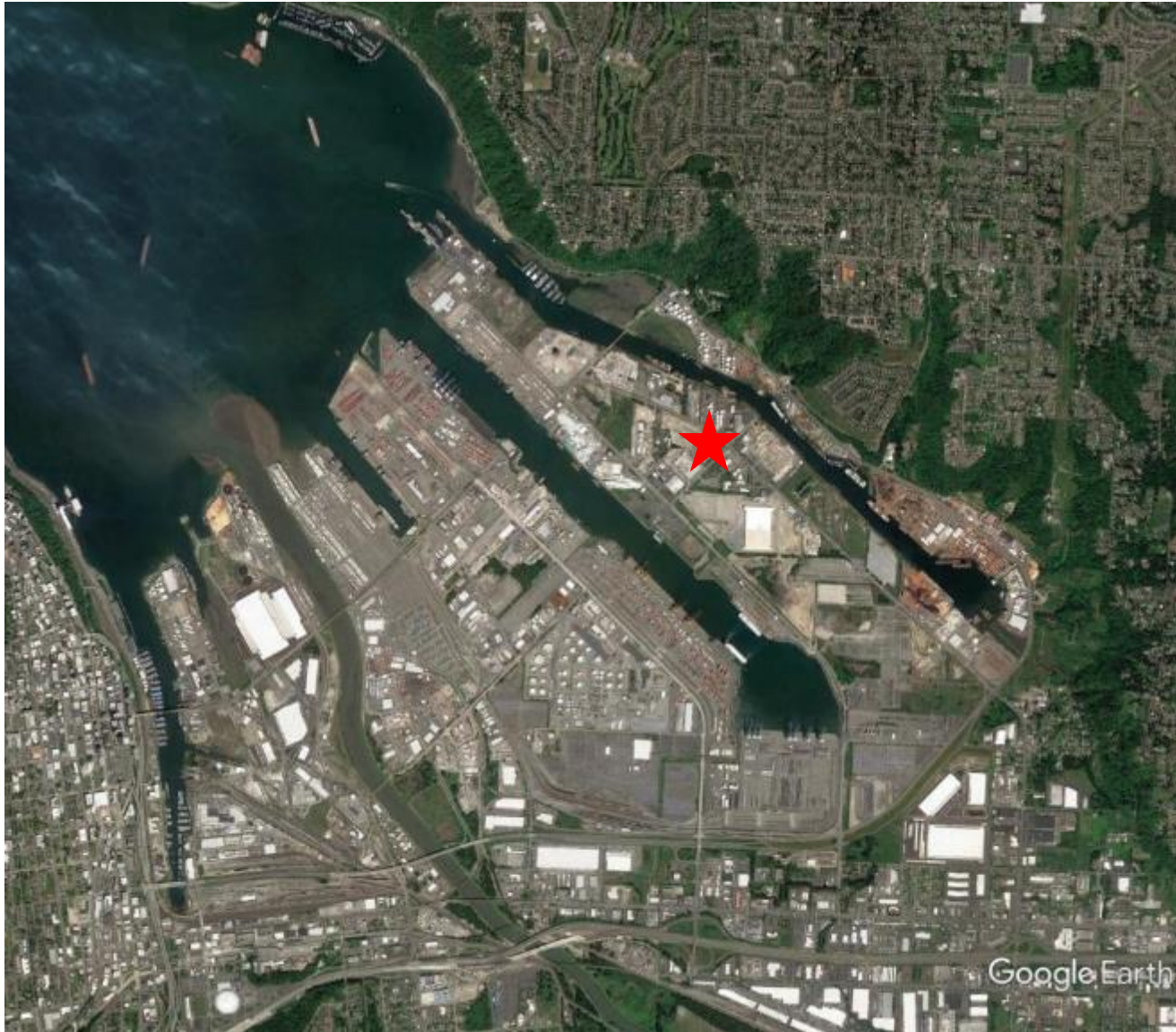
Scott Francis
Director, Real Estate
Port of Tacoma



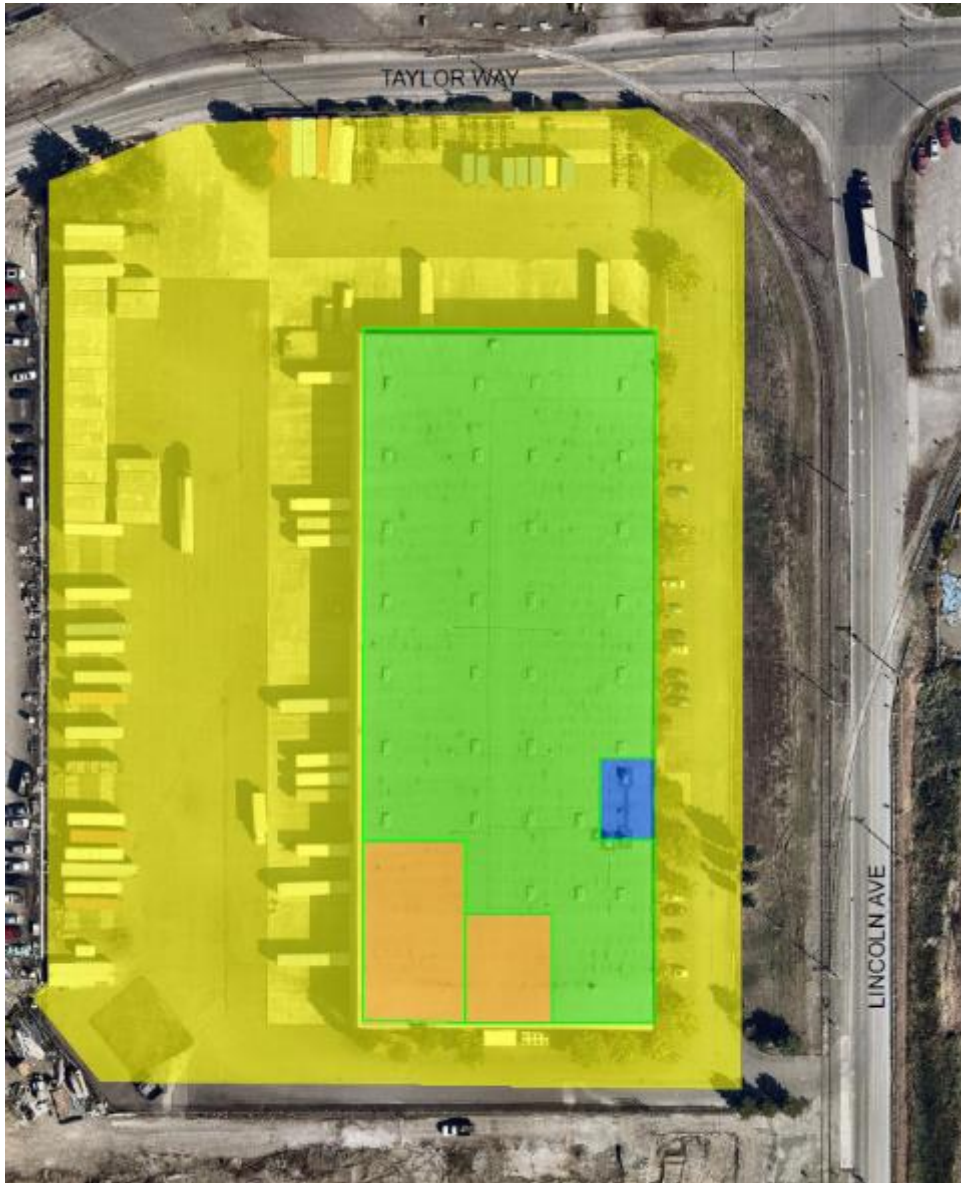
No action is requested at the First Reading. The following Action Request will be made at the October 17, 2019 meeting.





Authorization for the Executive Director or his designee to enter into a five-year lease with The North West Company (International) Inc. for the premises located at 2000 Taylor Way.

NW Company – Lease Location



NW Company – Lease Premises



	Warehouse = 80,333 SF		Office = 4,332 SF
	Cold Storage = 12,500 SF		Yard = 5 Acres

Background



- The Port purchased the property at 2000 Taylor Way in 2009.
- The Port added a new roof to this building in 2013, and the building exterior was painted in 2016.
- The North West Company (NWC) has leased this property since November 2009.
- NWC's account is in good standing.
- NWC's current lease terminates November 30, 2019, and they would now like to execute a new five (5) year lease.

Background Continued



- NWC headquarters are located in Winnipeg, Canada. The company was established in 1784 in Montreal to focus on the fur trade industry around the Great Lakes. Today NWC stores serve rural communities in Northern Canada, Western Canada, rural Alaska, the South Pacific islands and the Caribbean.

NW Company – Lease Terms



- Lease Premises: Approximately 80,333 SF of warehouse; 12,500 SF of cold storage; 4,332 SF of office; and 5 acres of yard.
- Use: Professional Office space and the storage and distribution of food and retail products in warehouse and freezer facility.
- Lease Commencement Date: December 1, 2019
- Lease Term: Five (5) years with a five (5) year mutually approved lease extension.
- Rent: Effective December 1, 2019 - \$49,731/mo. (\$596,772/yr.)
Effective December 1, 2020 - \$52,267 (627,204/yr.)

NW Company – Lease Terms Continued



- Rent Escalation: Effective December 1, 2021, and each December 1st thereafter, annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Security Deposit: \$673,398 (one year's rent + leasehold tax)
- Insurance Requirements:
 - \$2 Million general liability
 - \$1 Million auto liability

NW Company – Lease Terms Continued



- Lessor Maintenance/Repair Responsibility:
 - Building electrical system
 - Fire suppression system
 - Exterior wall/roof/doors/windows
 - Primary plumbing system
- Lessee Maintenance/Repair Responsibility:
 - Minor electrical repairs
 - Secondary Plumbing
 - Storm water system
 - Freezer maintenance and repair

Lease Benefits



- Twenty-eight employees work at this Port of Tacoma location. NWC also supports many local truck drivers.
- New scheduled rents exceed current budgeted rents for this property.
- This use meets the Port's strategic plan for this property and supports the Port's core business of shipping domestic and international cargos through the NWSA.

Action Request

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