

PORT OF TACOMA COMMISSION
ACTION ITEM MEMO



Item No: 6C
Meeting Date: 5/4/2023

DATE: April 24, 2023
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Alisa Praskovich, Chief, Special Projects & Commission Relations
Project Manager: Gloria Fletcher, Sr. Manager, Real Estate & Economic Development
SUBJECT: Three-Year Lease with Motive Power Marine, LLC at 401 Alexander Avenue

A. ACTION REQUESTED

Authorization for the Executive Director or his designee to enter into a three-year lease with Motive Power Marine, LLC for the premises including approximately 3.6 acres of yard space, 0.80-acre boat ramp, 1,593 square feet of office space, 340 square feet of warehouse storage, 0.17-acre parking, and 275 square feet of restrooms, located at 401 Alexander Avenue, Tacoma, WA. (Section III.B.2 of the Master Policy Resolution requires two readings for new leases other than at the Fabulich Center.)

B. BACKGROUND

- Motive Power Marine has leased the premises on a month-to-month basis since 2017.
- Motive Power has requested that they convert their lease to a three-year term.
- Motive Power has been in business since 2012 and has had consistent annual growth since that time.

The first reading of this lease was held at the Port of Tacoma Commission regular meeting on April 11, 2023.

C. PRIMARY LEASE TERMS

- Leased premises – 401 Alexander Avenue (Earley Business Center):
 - 3.6 acres of yard space
 - 1,593 square feet of office space, related parking and restrooms
 - 340 square feet of warehouse storage
 - Boat Ramp (.80 acres)

- Use: Vessel launching, upland repair, inspection, deconstruction and vessel maintenance.
- Effective Date: June 1, 2023
- Lease Term: Three Years, with two, 3-year extensions upon mutual approval
- Rental Rate: \$32,545.30 per month, Escalation based on Consumer Price Index

D. TIMEFRAME/PROJECT SCHEDULE

1st Reading of Lease	April 11, 2023 (completed)
2nd Reading of Lease	May 4, 2023
Lease Commencement Date	June 1, 2023

E. FINANCIAL SUMMARY

This Lease produces \$32,545.30 per month (\$390,543.60 per year). This rent schedule meets the budgeted rent for this property.

F. ECONOMIC INVESTMENT / JOB CREATION

Currently, 21 employees are located at this site including Steel Welders, Pipe Fitters, Laborers, Painters, and Scaffolding Assembly.

G. ENVIRONMENTAL IMPACTS / REVIEW

There are no environmental impacts to this new lease.

H. NEXT STEPS

Upon Commission approval of the requested action, the Port Executive Director or his designee will enter into the Lease which will commence on June 1, 2023.