

Second Reading: Evergreen Shipping Agency (America) Corporation Lease – 3600 Port of Tacoma Rd.

Presenter:

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Port of Tacoma



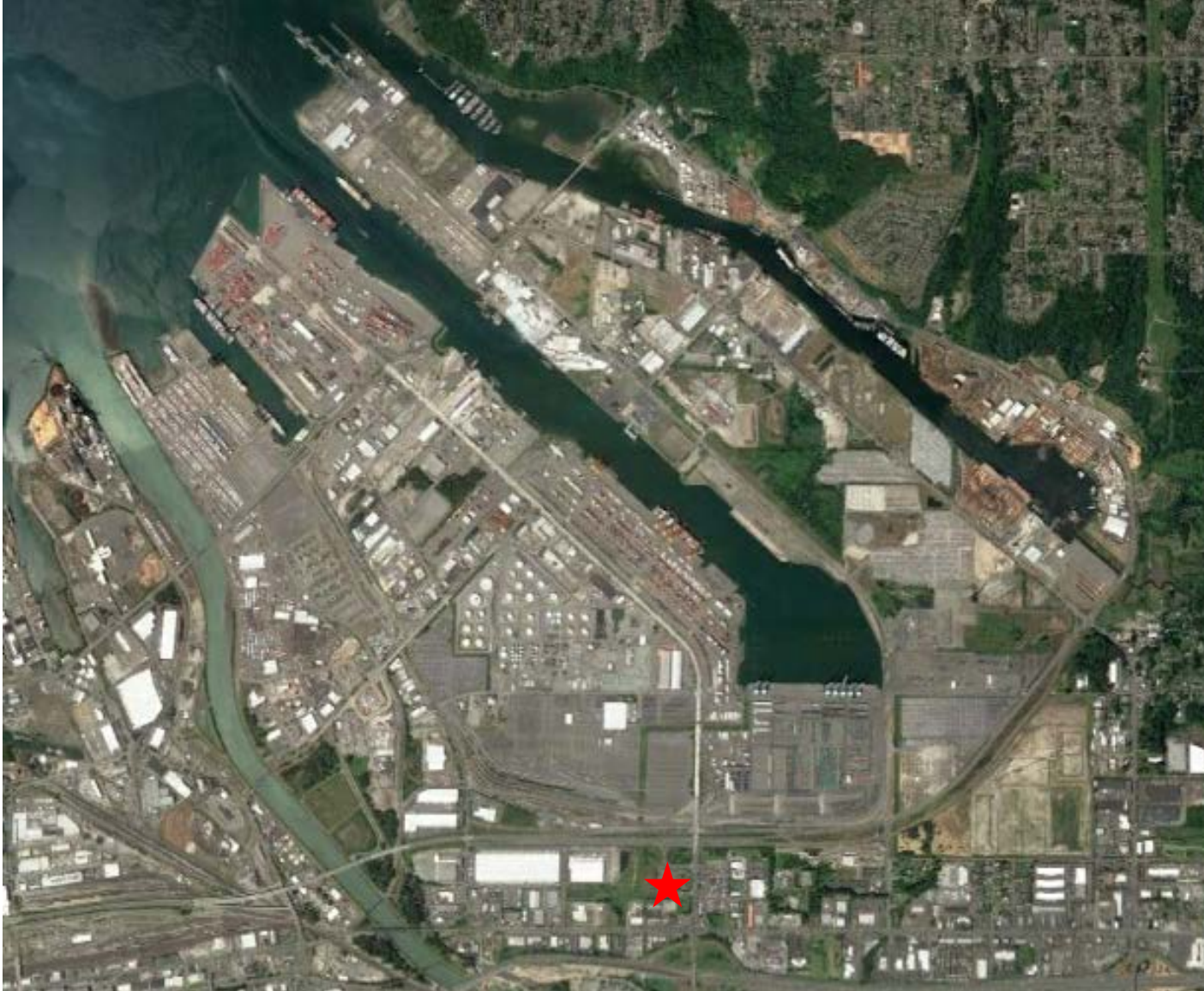
Action Request



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



Evergreen – Lease Location






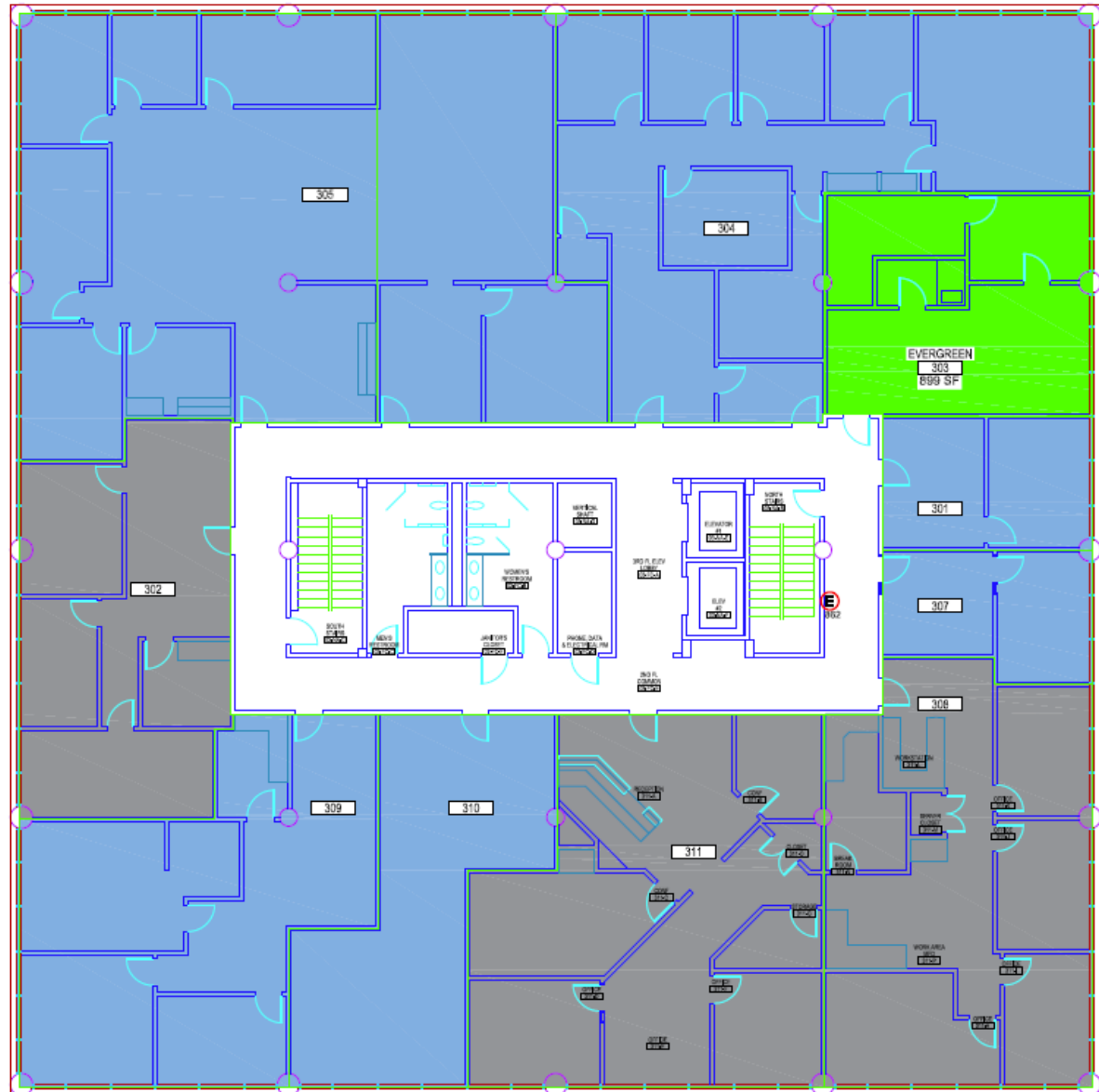
The Fabulich Center



Evergreen – Lease Premises



-  Suite 303 (899 Rentable Square Feet)
-  Leased Office Space
-  Unleased Office Space



Background



- Evergreen Shipping Agency has operated the Pierce County Terminal since February 1, 2005.
- Evergreen's terminal lease at Pierce County Terminal includes approximately 140 acres.
- Evergreen handles about 432,000 TEU's per year and has about 104 vessel port calls per year.
- Evergreen has been a tenant at the Fabulich Center since January 1, 2009.
- The current lease terminates December 31, 2018.
- Evergreen wishes to execute a new lease for Suite 303 at the Fabulich Center.

Evergreen – Lease Terms



- Use: Professional offices.
- Premises: Approximately 899 rentable square feet.
- Lease Term: Two (2) years with three one-year extensions with mutual approval.
- Rent: \$1,498/mo. (\$17,979/yr.)
 - \$20/per square foot annually.
- Rent Commencement Date: January 1, 2019.
- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Utility Expenses: Lessor responsibility.

Evergreen – Lease Terms Continued



- Security Deposit: \$20,289 (one year's rent + leasehold tax)
- Insurance Requirements: \$2 Million General Liability.
- All maintenance and repair responsibilities are Lessor's.

Evergreen – Lease Benefits



- 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.

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