

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

Presenter:

Annika Bjorkman
Real Estate Property Manager
Port of Tacoma



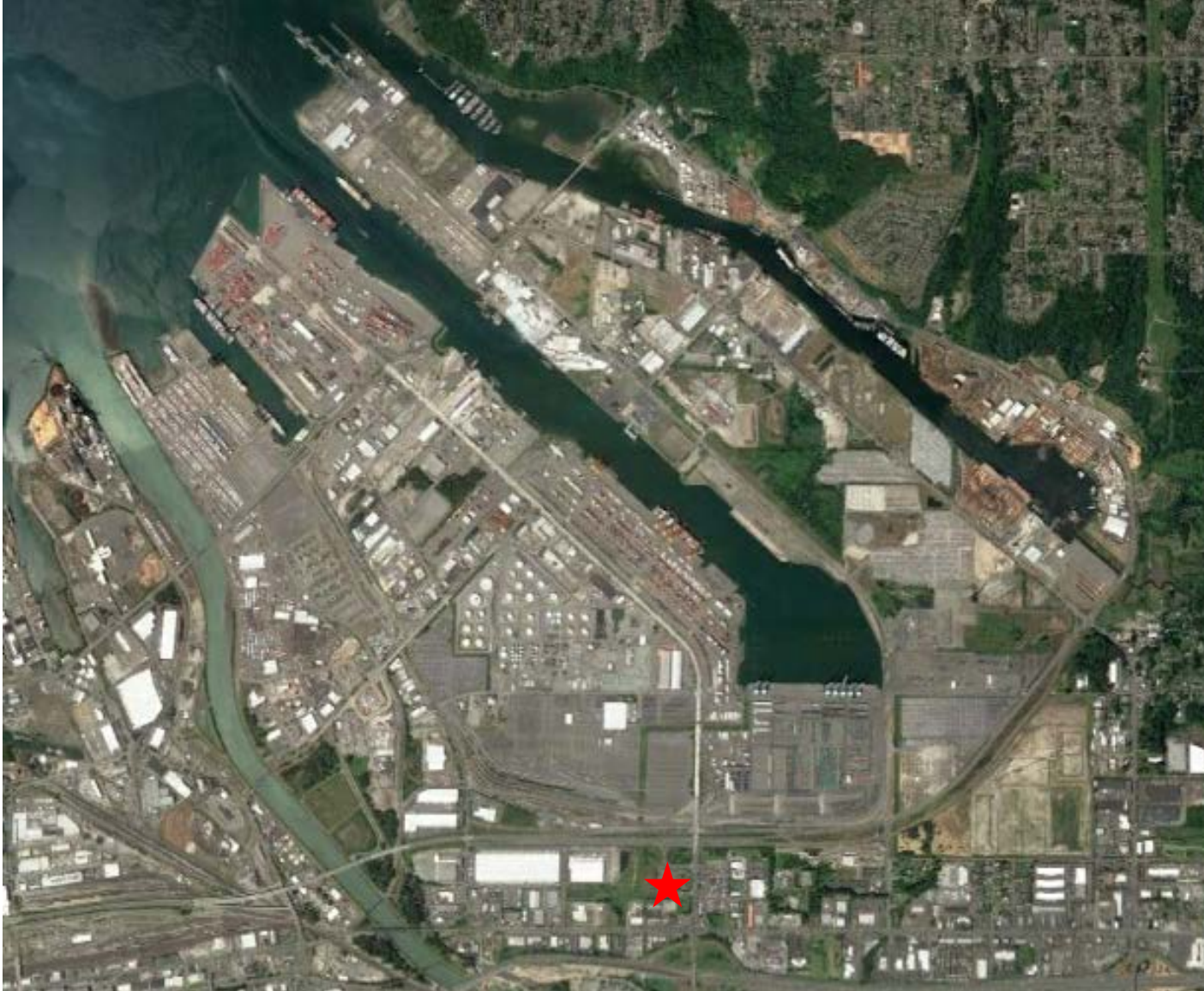
Action Request



No action is requested at the First Reading. The following Action Request will be made at the December 20, 2018 meeting.

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






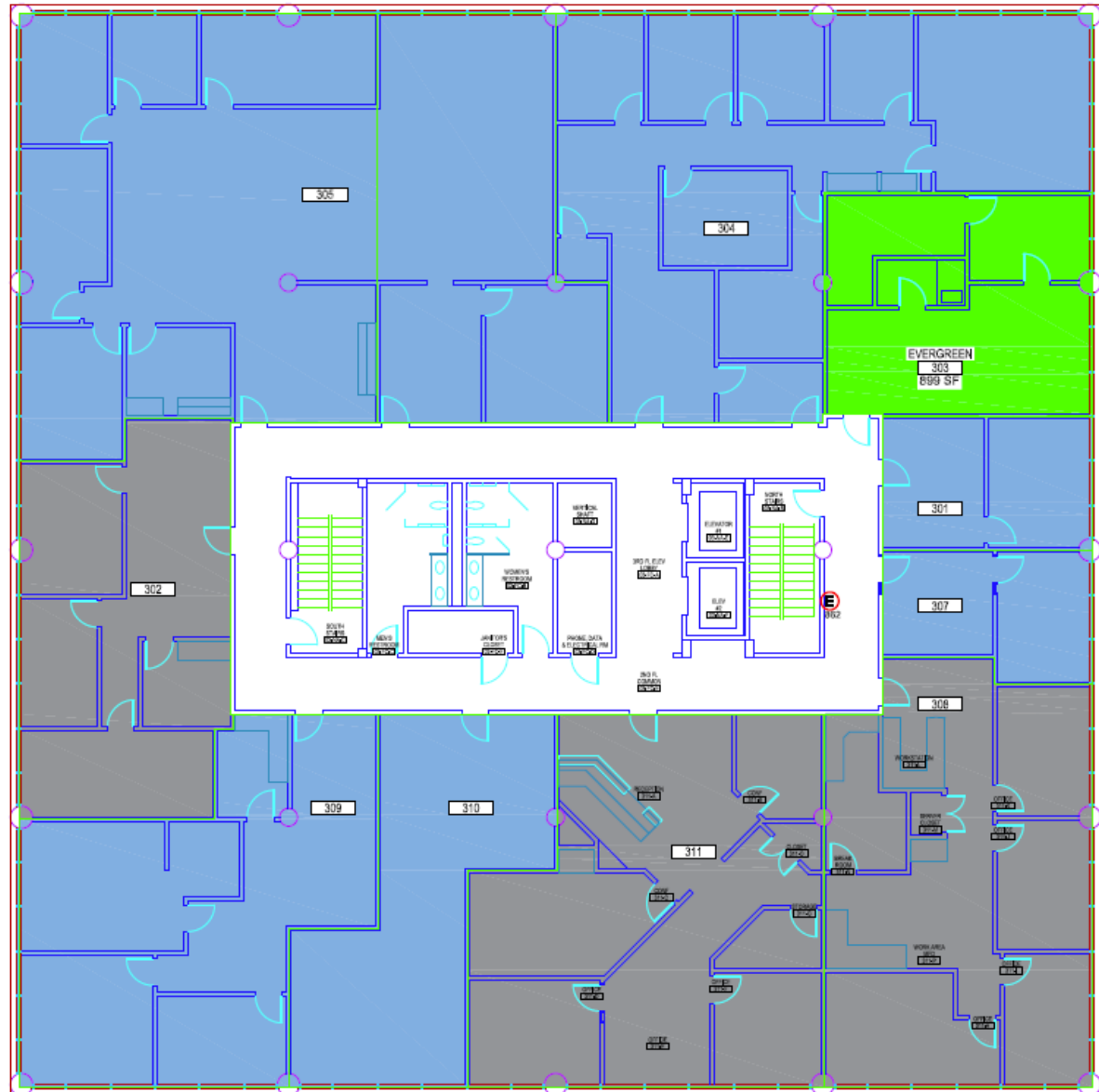
The Fabulich Center



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 mutual options to extend.
- 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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