

Second Reading: Pac-Van, Inc. Lease – 1701 Port of Tacoma Road

Presenter:

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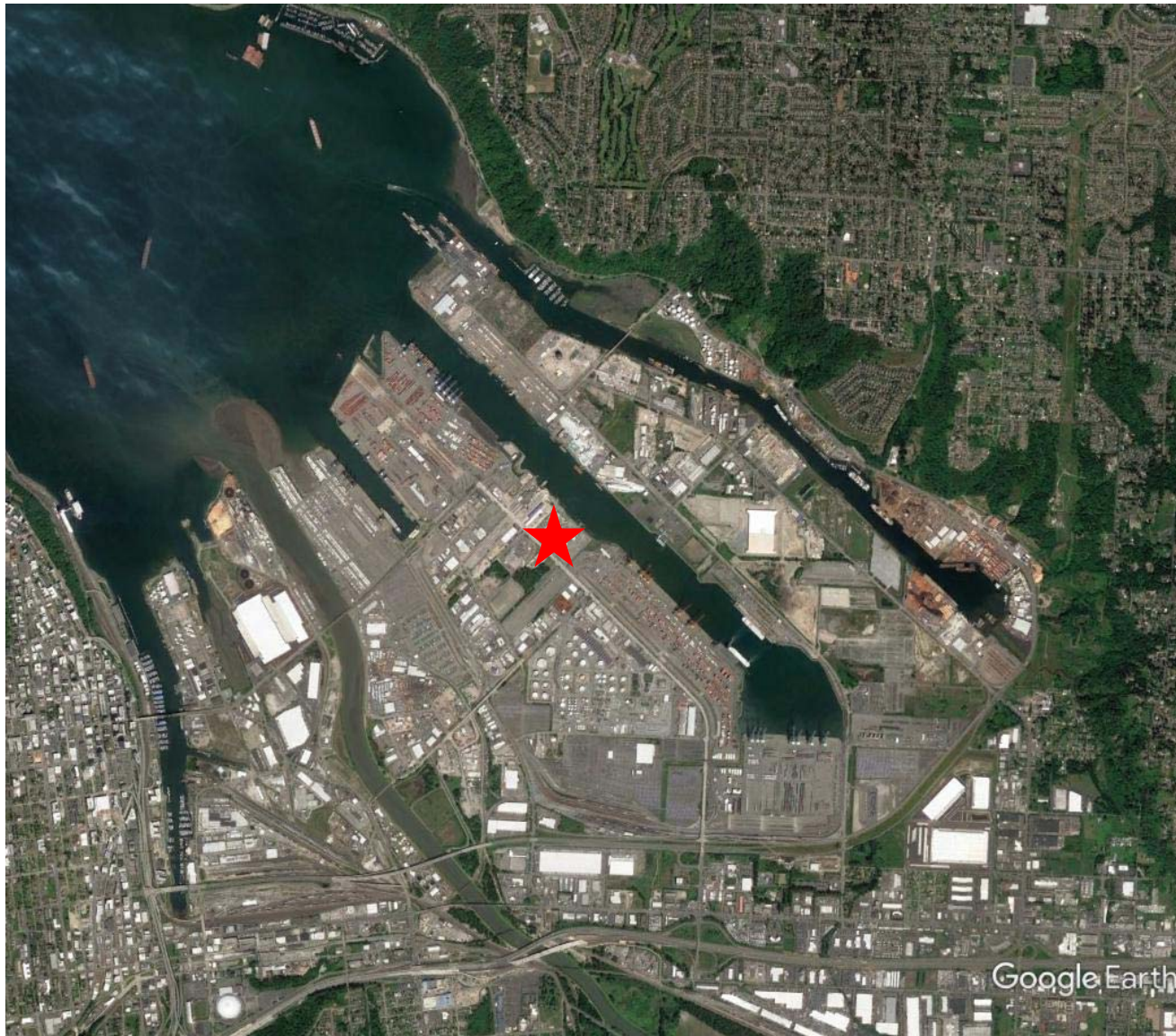


Action Request

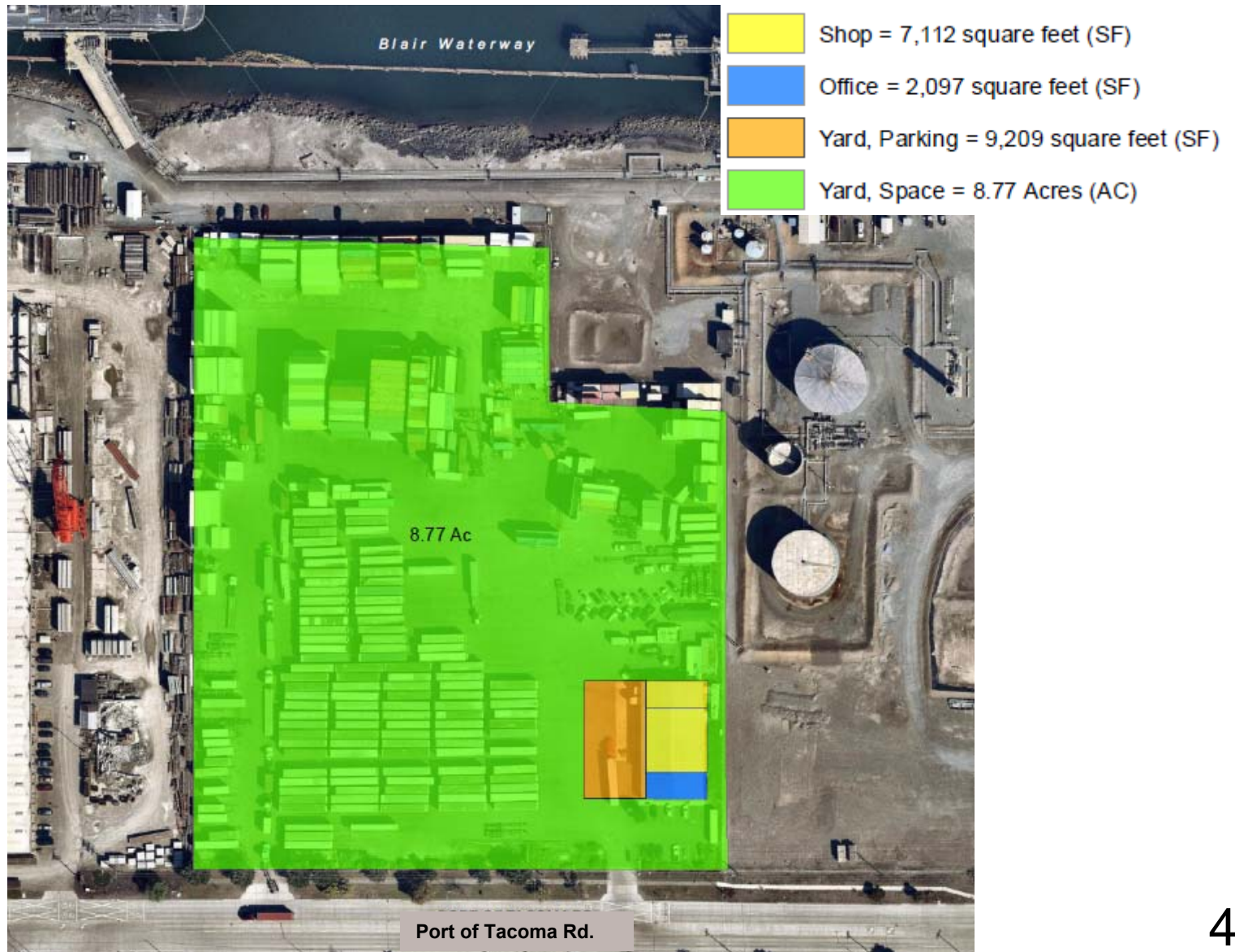


Authorization for the Executive Director or his designee to enter into a three-year lease with Pac-Van, Inc. for the premises located at 1701 Port of Tacoma Road, Tacoma, WA.

Pac-Van, Inc. – Lease Location



Pac-Van, Inc. – Lease Premises



Background



- The Port purchased this property in 2016.
- Pac-Van has leased the premises on a month-to-month basis since January 1, 2019, and their account is in good standing.
- Pac-Van, Inc. now wishes to extend their lease term to three-years.
- Pac-Van, Inc. was founded in 1993 in Indianapolis, IN. They currently have operations in 34 states. Their primary business is the sale, repair and leasing of containers, modular office units and water storage tanks.

Pac-Van, Inc. – Lease Terms



- Lease Premises: Includes approximately 7,112 SF of shop; 2,097 SF of office; 9,209 SF of parking area; and 8.77 acres of yard space.
- Use: Sale, repair and leasing of containers, modular office units and water storage tanks.
- Lease effective date: November 1, 2019
- Lease Term: Three (3) years.
- Rent: \$57,988/mo. (\$695,856/yr.)

Pac-Van, Inc. – Lease Terms Continued



- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Security Deposit: \$785,211 (one year's rent + leasehold tax)
- Insurance Requirements:
 - \$2 Million general liability
 - \$2 Million pollution liability
 - \$1 Million auto liability
- All utilities are Lessee's responsibility.

Pac-Van, Inc. – Lease Terms Continued



- Lessee Maintenance/Repair Responsibility:
 - Windows/doors
 - Storm water system cleanout
 - Mechanical components
 - Minor electrical/plumbing repairs
- Lessor Maintenance Responsibility:
 - Building roof, gutters and exterior walls
 - Primary plumbing system
 - Fire suppression system
 - Underground utilities

Pac-Van, Inc. – Lease Benefits



- The monthly rent of \$57,988 (\$695,856 per year) meets the budgeted rent for this property.
- Retains 16 jobs at this Port of Tacoma location.

Action Request



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