

COMMISSION AGENDA

Item No: 6C

Meeting: 02/21/2019

DATE: February 6, 2019
TO: Port Commission
FROM: John Wolfe, Chief Executive Officer
Sponsor: Scott Francis, Director, Real Estate, Port of Tacoma
Project Manager: Erin DeBroux, Real Estate Analyst, Port of Tacoma
SUBJECT: Three-Year Lease with ILWU-PMA Welfare Fund.
3600 Port of Tacoma Road, Suite 503, Tacoma, WA 98424

A. ACTION REQUESTED – No action is requested at the First Reading. The following Action Request will be made at the March 28, 2019 meeting.

Authorization for the Chief Executive Officer or his designee to enter into a three-year lease with ILWU-PMA Welfare Fund for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, WA.

B. BACKGROUND

- ILWU-PMA administers healthcare and pension benefits to the active and retired longshore workers of the West Coast, as well as their dependents and survivors.
- ILWU-PMA has been a tenant at the Fabulich Center since February 1, 2005.
- ILWU-PMA is currently leasing 500 sq. ft. in the Fabulich Center on a month to month lease.
- ILWU-PMA now wishes to convert their month to month lease to a long-term lease.

C. PRIMARY LEASE TERMS

- Use: Professional offices.
- Premises: Approximately 500 rentable square feet.
- Lease Term: three (3) years.
- Rent: \$895/mo. (\$10,740/yr. at \$21.50/sf.)
- Rent Commencement Date: April 1, 2019.
- Rent Escalation: Annual increase by CPI-U.
- Utility Expenses: Lessor's responsibility.
- Security Deposit: \$12,130.00 (one year's rent + leasehold tax)
- Insurance Requirements: \$2 Million General Liability.
- Building maintenance and repair: Lessor's responsibility.

D. TIMEFRAME/PROJECT SCHEDULE

Lease First Reading	February 21, 2019
Lease Second Reading	March 28, 2019
Lease Commencement	April 1, 2019

E. FINANCIAL SUMMARY

- Initial rent at \$895/mo. (\$10,740/yr.)

F. ECONOMIC INVESTMENT / JOB CREATION

- This lease retains 1 job in Tacoma.
- Continued utilization of Fabulich Building office space.

G. ENVIRONMENTAL IMPACTS / REVIEW

No environmental impacts.

H. NEXT STEPS

The Second Reading is scheduled for March 28, 2019. Upon Commission approval of the requested action, the Port Chief Executive Officer or his designee will enter into the Lease which will commence on April 1, 2019.