

Item: 6B

Date: 10/15/24

First Reading: The North West Company (International) Inc. 1st Amendment to Lease

Einar Roden
Real Estate Property Manager

Debbie Shepack
Sr. Director, Real Estate

Port of Tacoma Commission Meeting
Date: October 15, 2024



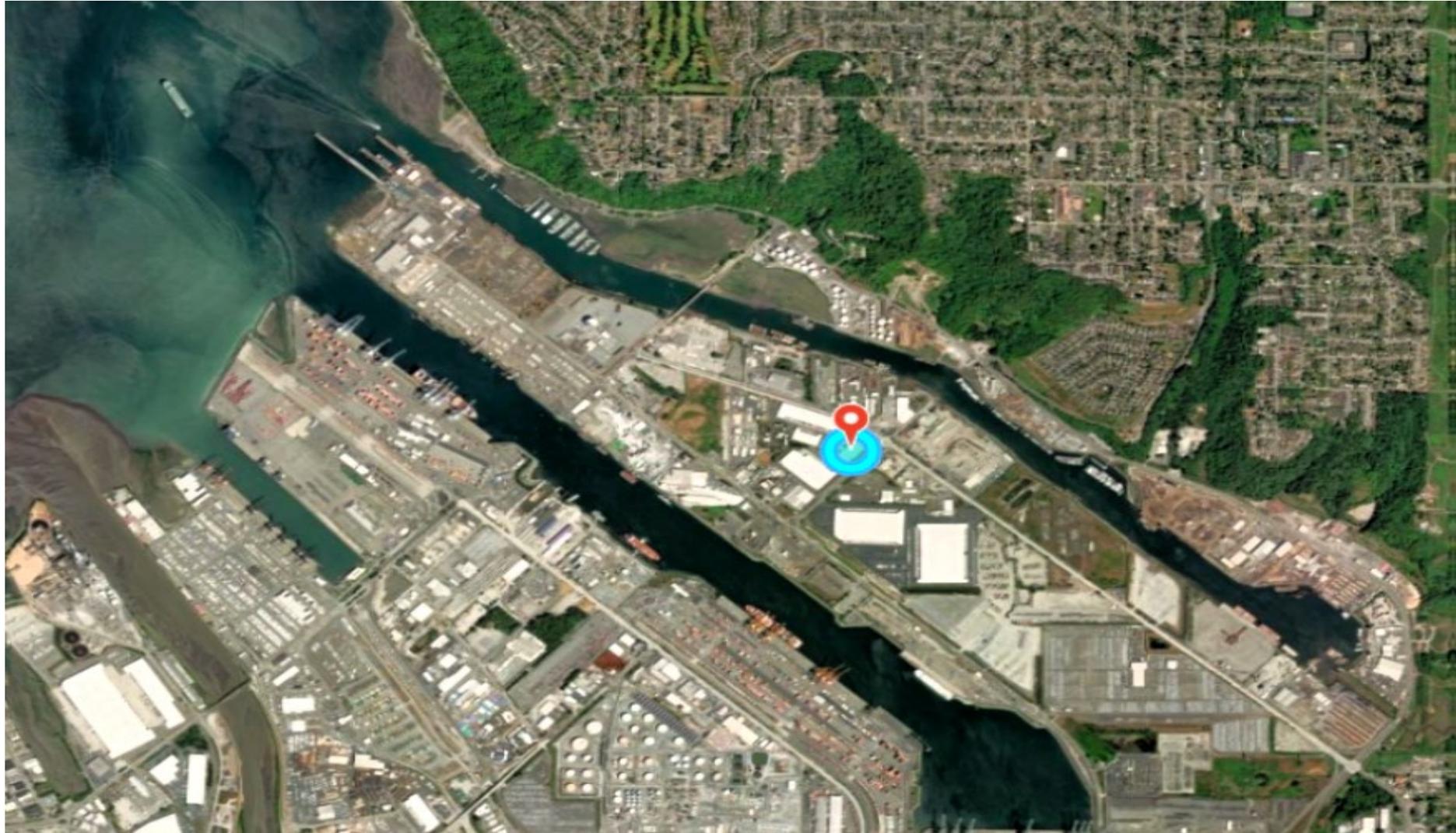
No action is requested at the First Reading. The following Action Request will be made at the November 19, 2024 meeting.

Authorization for the Executive Director or his designee to enter into a First Amendment with The North West Company (International), Inc. for the premises including approximately 80,333 square feet of warehouse, 12,500 square feet of cold storage, 4,332 square feet of office, and 5 acres of land located at 2000 Taylor Way, Tacoma WA.

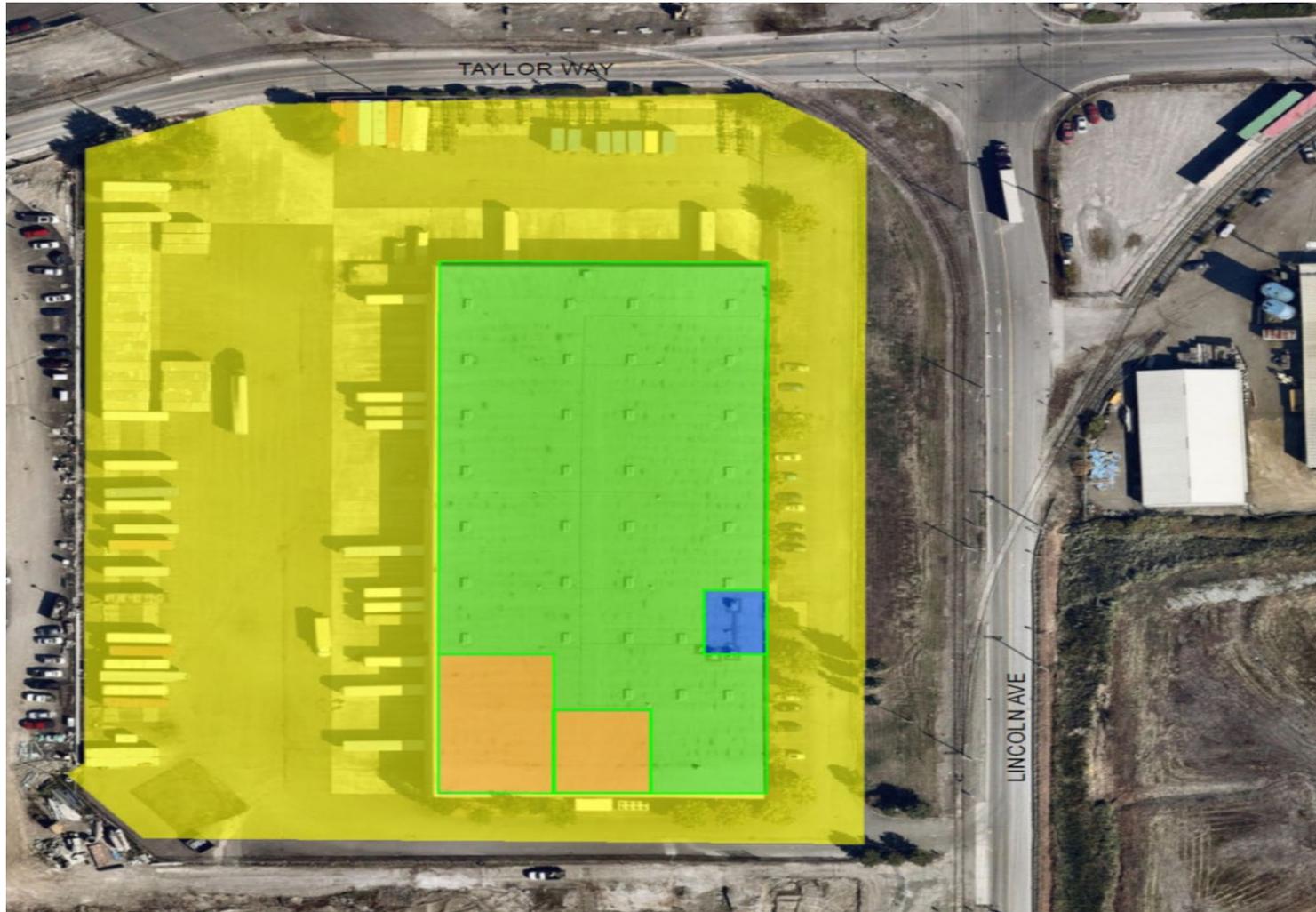
Section III.B.2 of the Master Policy Resolution requires two readings for new leases (other than at the Fabulich Center).

- The North West Company (NWC) was formed in 1779 as a fur trading company. Their headquarters are currently located in Winnipeg, Canada.
- Today their stores serve rural communities in Northern Canada, Western Canada, rural Alaska, the South Pacific Islands and the Caribbean.
- NWC has occupied 2000 Taylor Way since November 2009.
- The warehouse is used for storage and distribution of food and retail products (such as hardware and clothing), and professional offices.
- NWC currently has 24 employees working at the subject property. Worldwide employees number in the thousands.

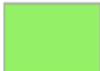
Property Location



Leased Premises



2000 Taylor Way, Tacoma WA

- | | | | |
|---|--------------------------|---|-------------------|
|  | Warehouse = 80,333 SF |  | Office = 4,332 SF |
|  | Cold Storage = 12,500 SF |  | Yard = 5 Acres |

Lease Terms

- **Lease Premises:** Approximately 80,333 square feet of warehouse, 4,332 square feet of office space, 12,500 square feet of cold storage, and 5 acres of land, located at 2000 Taylor Way
- **Lease Term:** Five (5) years, with one (5) year extension upon mutual approval of the parties: expiration would be November 30, 2034 if the extension is exercised
- **Rent:** Effective December 1, 2024 - \$67,377.27/month (\$808,527.24/year), plus 12.84% Leasehold Excise Tax
- **Rent:** Effective December 1, 2025 - \$71,419.91/month (\$857,038.92/year), plus 12.84% Leasehold Excise Tax
- **Rent:** Effective December 1, 2026 - \$75,705.11/month (\$908,461.32/year), plus 12.84% Leasehold Excise Tax

Lease Terms (Continued)

- **Rent Escalations:** Effective December 1, 2027, and every December 1st thereafter, Annual CPI-U Adjustments
- **Security Deposit:** 12 Months rent plus 12.84% Leasehold Excise Tax (\$912,342)
- **Utilities:** Lessee's responsibility
- **Lessee Maintenance / Repair Responsibility:** Minor electrical and plumbing repairs, freezer maintenance, stormwater catch basin, yard light bulb replacements
- **Lessor Maintenance / Repair Responsibility:** Major electrical and plumbing repairs, HVAC, asphalt, fencing, exterior walls, exterior paint, fire suppression system, roof



Thank You

Questions & Discussion



Einar Roden, Real Estate Property Manager

eroden@portoftacoma.com

Debbie Shepack, Sr. Director, Real Estate

Dshepack@portoftacoma.com