

First Reading: Best Way Trucking, Inc. Lease – 3600 Port of Tacoma Rd.

Presenter:

Scott Francis
Director of Real Estate
Port of Tacoma



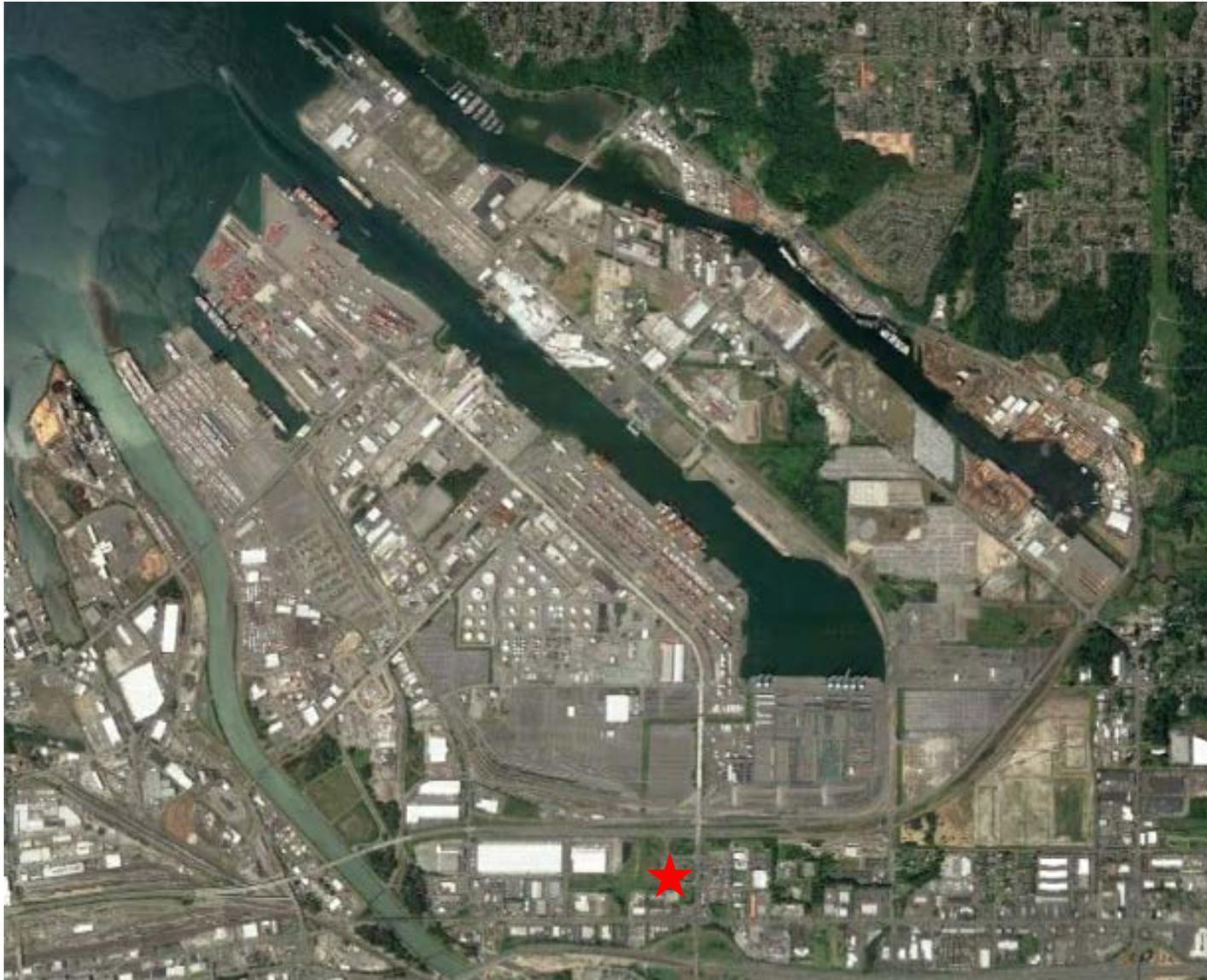
Action Requested



No action is requested at the First Reading. The following Action Request will be made at a future meeting date.

Authorization for the Chief Executive Officer or his designee to enter into a three-year lease with Best Way Trucking, Inc. dba GSC Logistics for office space located in the Fabulich Center at 3600 Port of Tacoma Road, Tacoma, WA.

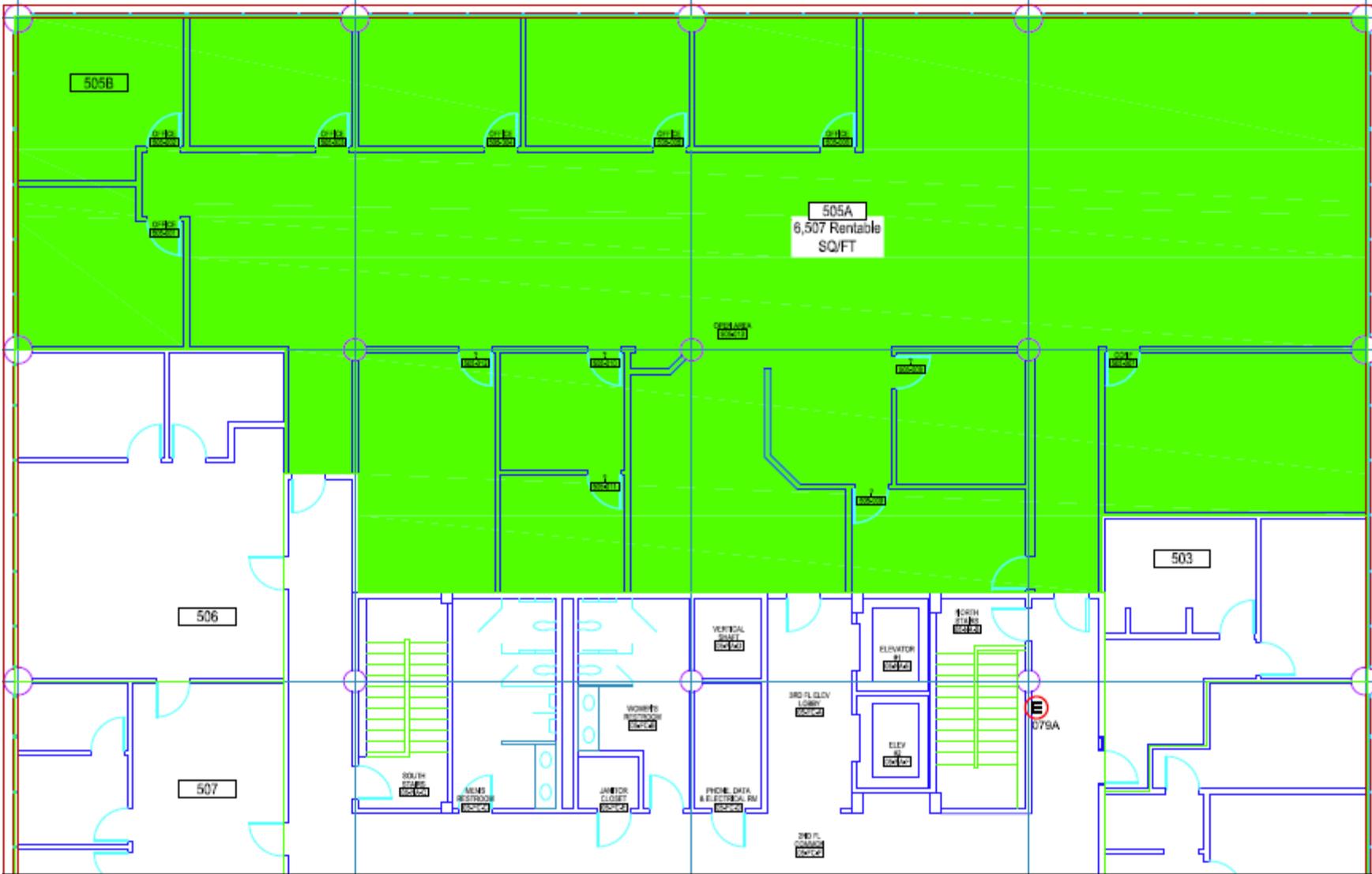
Best Way Trucking – Lease Location



The Fabulich Center



Best Way Trucking – Lease Premises



Background



- GSC Logistics, headquartered in Oakland, CA, was founded in 1988 in the Bay Area of California.
- GSC expanded into the Pacific Northwest in 2011 when they purchased Best Way Trucking. Best Way Trucking now operates as GSC Logistics.
- GSC provides transportation services for ocean and intermodal containers, as well as cross-dock/transload services of both imported and domestic cargos.
- GSC currently operates a yard in Seattle offering drayage and over the road services.
- In 2017 GSC opened an office and food grade warehouse in Renton, WA.
- GSC now wishes to relocate their Renton office to the Port of Tacoma.

Best Way Trucking – Lease Terms



- Use: Professional office space.
- Commencement: Approximately December 1, 2018.
- Premises: 5,356 SF of office space – increasing to 6,507 SF within six months.
- Lease Term: Three (3) Years
- Rent: \$8,926/mo. (\$107,120/yr.). Within six months the rent increases to \$10,845/mo. (\$130,140/yr.).
- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.

Best Way Trucking – Lease Terms Continued



- Security Deposit: \$120,874 (one years' rent + leasehold tax)
- Utility Expense: Lessor responsibility.
- Insurance: \$2M General Liability
- Lessor Maintenance/Repair Responsibilities include: general building, common areas and parking areas.
- Lessee Maintenance/Repair Responsibilities include: responsibility for all requested upgrades and tenant improvements.

Lease Benefits



- This lease is expected to bring 18 new jobs to Tacoma.
- Utilization of unused office space in the Fabulich Center.
- GSC provides transportation services that support the Port's core business of moving international containerized cargos.

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