

An aerial photograph of the Port of Tacoma, showing various industrial facilities, shipyards, and a large body of water. The image is partially obscured by a dark blue curved shape on the left and a light blue curved shape on the right.

First Reading: Fibres International, Inc. Lease – 401 Alexander Avenue

Presenter:

Scott Francis
Director of Real Estate
Port of Tacoma



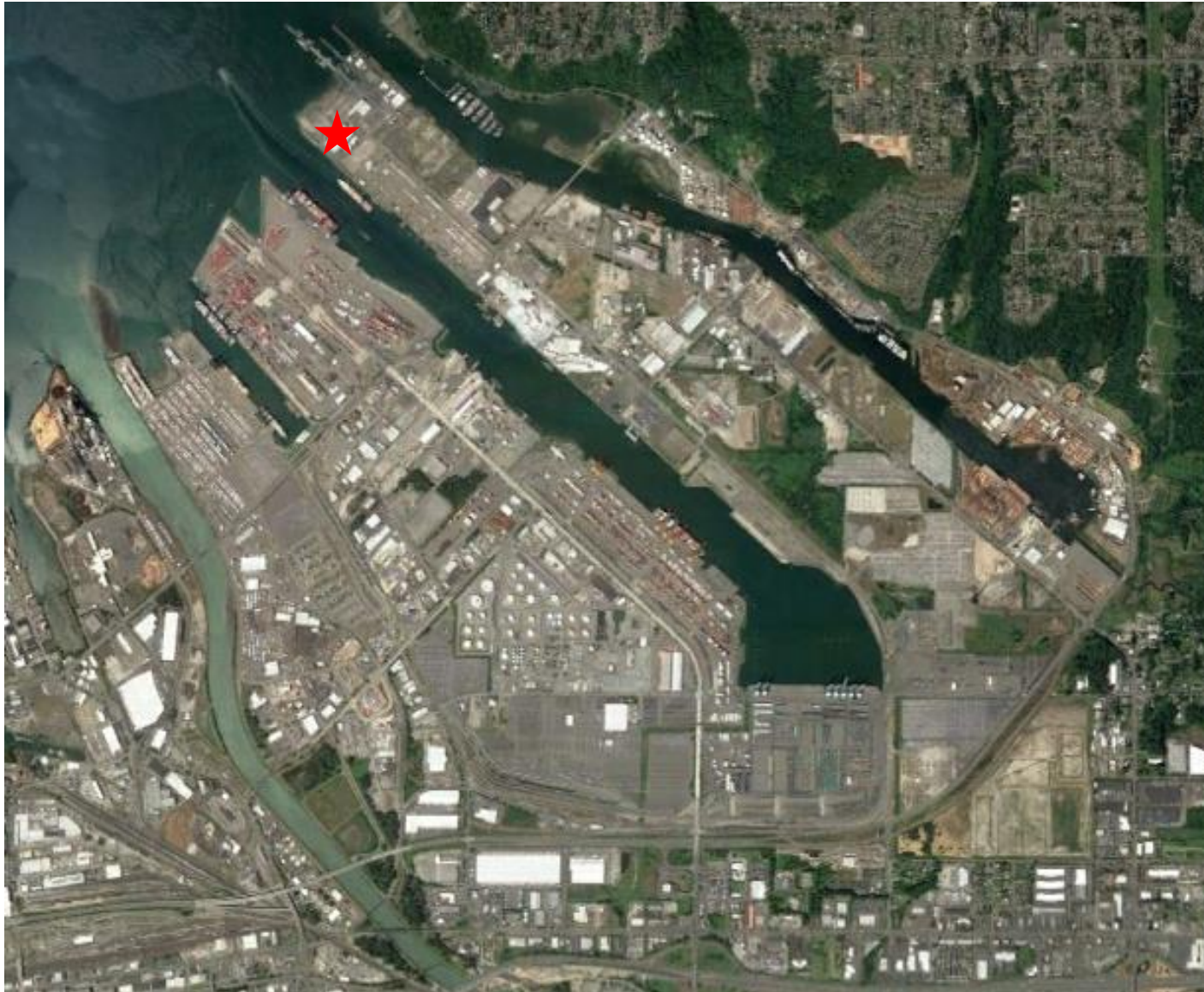
Action Requested



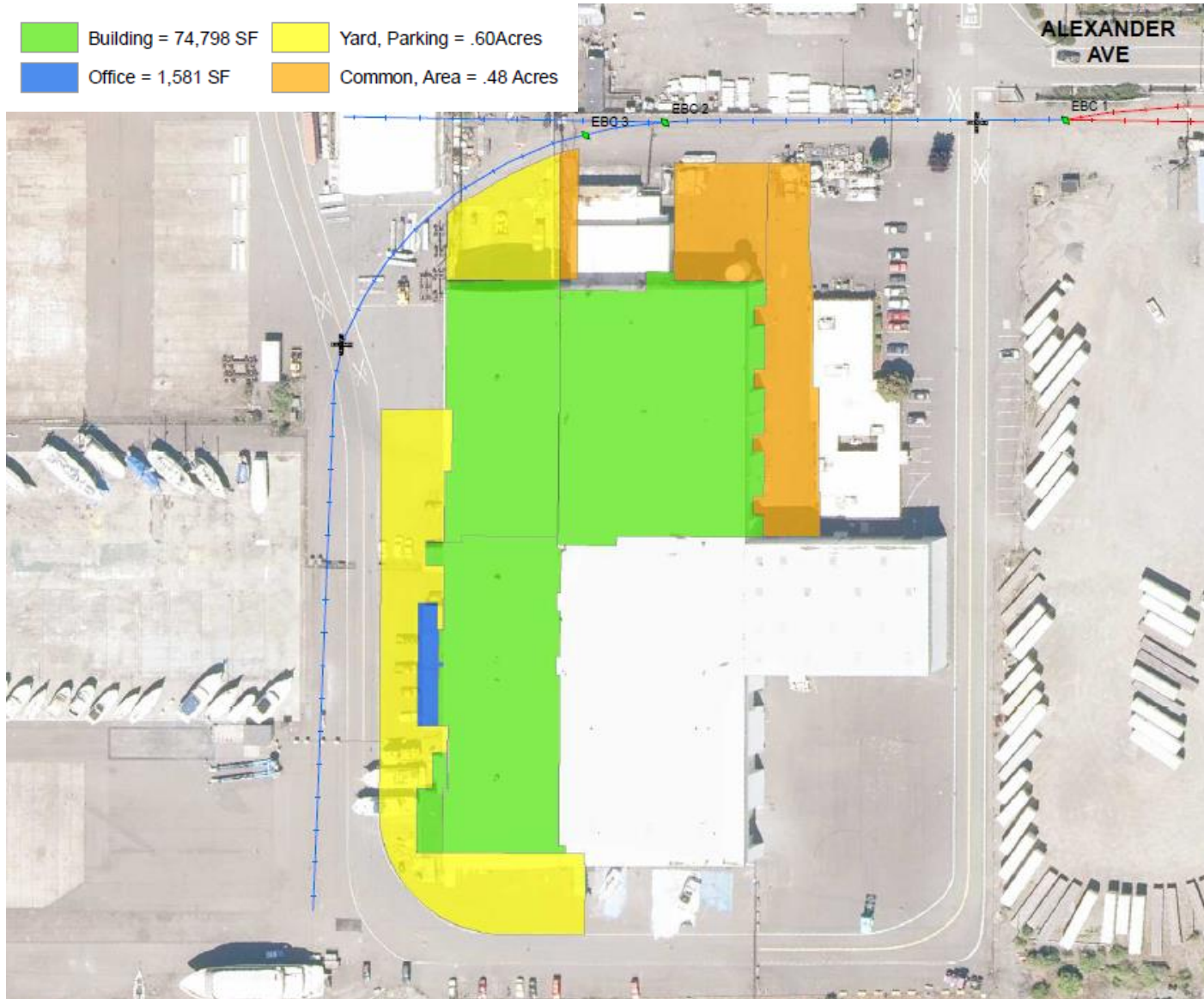
Authorization for the Chief Executive Officer or his designee to enter into a five-year lease with Fibres International, Inc. for the premises located at 401 Alexander Avenue, Tacoma, WA.



Fibres International – Lease Location



Fibres International – Lease Premises



Background



- Fibres International is a private company founded in the Pacific Northwest in 1974.
- They specialize in responsible commercial recycling of paper products.
- Their service area is primarily Western Washington.
- Fibres International, Inc. has been a month to month tenant at the Port of Tacoma since February 2017.

Fibres International – Lease Terms



- Lease Commencement: October 1, 2017
- Lease Premises: 74,798 SF warehouse, 1,581 SF office space, and 0.60 acres of yard/parking.
- Lease Term: five-years with one mutually approved five-year extension.
- Rent: \$27,760/mo. (\$333,124/yr.)
- Rent Escalation: annual increase based on CPI-U.
- Security Deposit: \$375,897 (one-year's rent + leasehold tax)

Fibres International – Lease Terms Cont'd



- Use: Storage and collection of recycled cardboard.
- Utility Expense: Lessee responsibility.
- Insurance: \$2M general liability, \$1M auto liability.
- Lessor Maintenance Responsibilities include: roof, exterior walls, foundation, fire suppression, underground utilities.
- Lessee Maintenance Responsibilities include: mechanical, plumbing, electrical, windows/doors.

Lease Benefits



- Retains 2-3 full-time jobs in Tacoma and supports many trucking jobs and related positions.
- Fibers International is the primary supplier of recycled cardboard to WestRock in Tacoma, formerly Simpson Paper.
- Fibers International ships 100+ containers per month through the NWSA gateway to China and other Asian destinations.

Action Requested:

Authorization for the Chief Executive Officer or his designee to enter into a five-year lease with Fibres International, Inc. for the premises located at 401 Alexander Avenue, Tacoma, WA.

Second Reading is scheduled for the September 21st Commission Meeting.