

Item #: 6D  
Date: 2/21/23

# WJR Tacoma, LLC Lease – 1602 Marine View Drive

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Real Estate & Economic Development  
Port of Tacoma

February 21, 2023



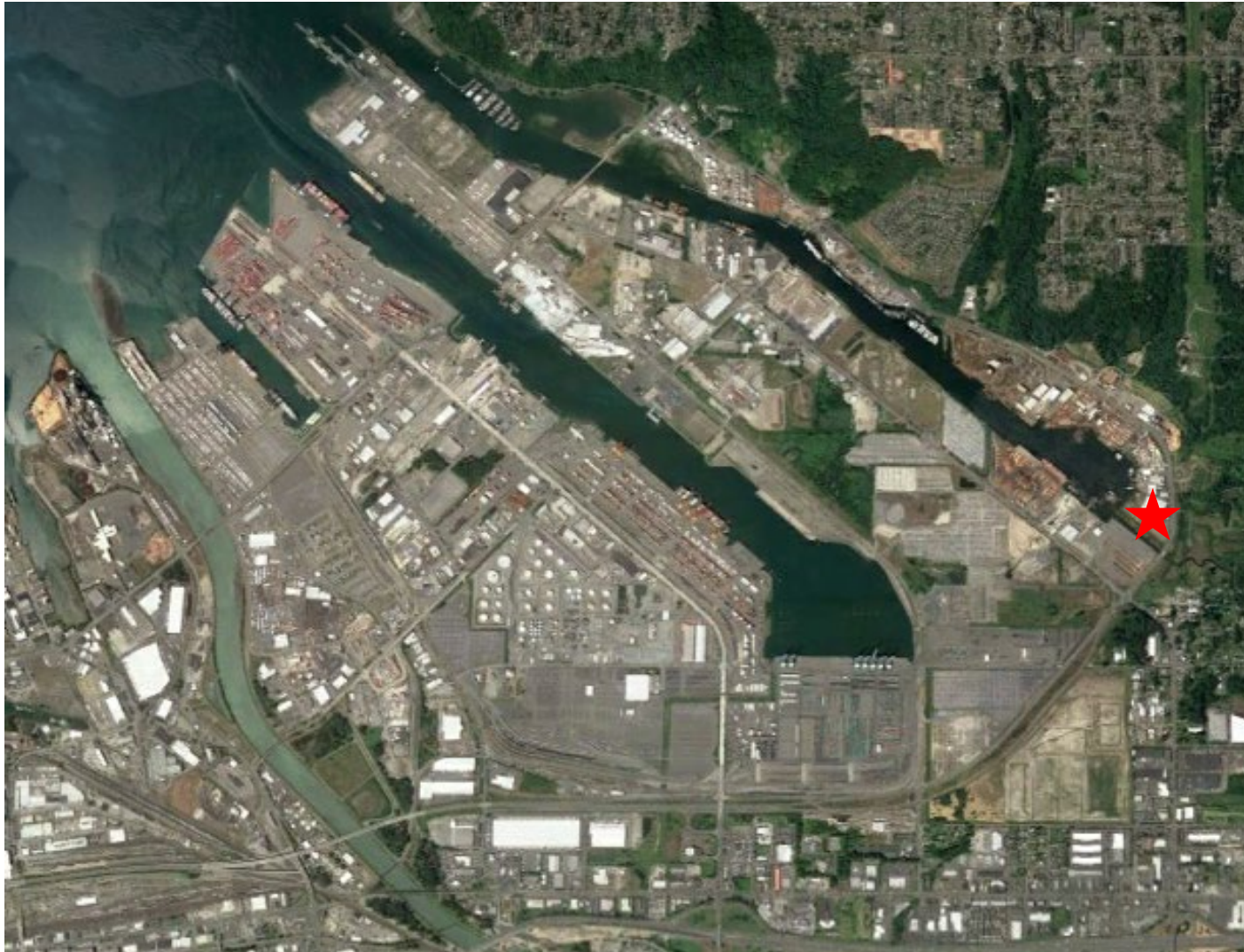
# Action Requested



Authorize Executive Director or his designee to:

1. Terminate the current 5.43-acre Lease with WJR Tacoma LLC for the premises located at 1602 Marine View Drive.
2. Terminate the current 3.31-acre Lease with Calbag Tacoma LLC for the premises located at 1602 Marine View Drive.
3. Enter into a new Lease with a termination date of December 31, 2045, and one thirty-year extension period with WJR Tacoma, LLC for an 8.74- acre premises located at 1602 Marine View Drive.

# WJR & Calbag Lease Location





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# Current Lease Premises





# Combined Lease Premises



# Background



- In 1996, WJR (Calbag) leased five acres via a 50-year lease with an option to extend an additional 30-years.
- In 2018, Calbag (WJR) agreed to lease 3.31-acres at this location through June 30, 2023, with four five-year extensions subject to mutual acceptance.
- The remaining .43 acres added, via an amendment, to their original five-acre lease that expires in 2045.
- WJR has requested to combine the 5.43-acre lease and the 3.31-acre lease into one lease totaling 8.74-acres. The new lease will have the same general terms and conditions as the 1996 lease that expires in 2045.



# Lease Terms



- **Premises:** Approximately 8.74 acres of land located at 1602 Marine View Drive.
- **Use:** Metal recycling facility provided that the southerly 3.31 acres may only be used for storage of tools, equipment, boxed and finished goods (bailed products), and employee parking.
- **Effective date:** Estimated at April 1, 2023.
- **Term:** Through December 31, 2045, with one option to extend an additional 30-years.

# Lease Terms Continued



- **Rent:** \$40,763.76/mo. (\$489,165.12/yr.) plus leasehold excise tax (same rent currently received).
  - On July 1, 2023, the rent will increase to \$45,398.62/mo.
- **Rent Escalation:** Adjusted January 1, 2026, and every five-years thereafter to market rent as determined by an MAI-designated appraiser selected by the Port of Tacoma.

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