

Item #: 6C

Date: 4/11/23

# First Reading:

## Motive Power Marine, LLC Lease 401 Alexander Ave

**Shannon Bartlett, Real Estate Property Manager**

April 11, 2023

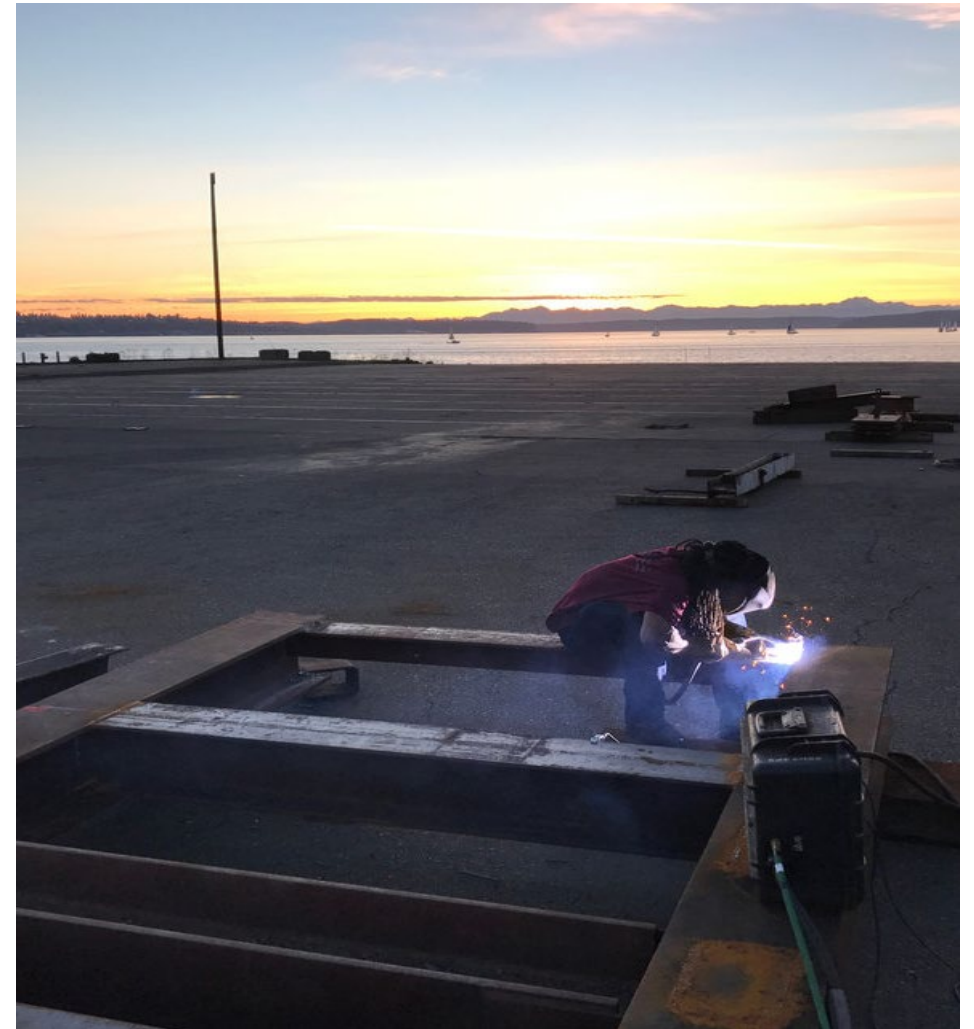


**No action is requested at the First Reading. The following Action Request will be made at the May 4, 2023 meeting.**

Authorization for the Executive Director or his designee to enter into a three-year lease with Motive Power Marine, LLC for the premises including approximately 3.6 acres of yard space, 0.80 acre boat ramp, 1,593 square feet of office space, 340 square feet of warehouse storage, 0.17 acre parking, and 275 square feet of restrooms, located at 401 Alexander Avenue, Tacoma, WA. (Section III.B.2 of the Master Policy Resolution requires two readings for new leases other than at the Fabulich Center.)

# Background

- Since 2017, Motive Power has leased this premises on a month-to-month basis
- Currently, there are 21 employees which include Steel Welders, Pipe Fitters, Laborers, Painters, and Scaffolding
- Motive Power now has a change of ownership and wishes to convert their month-to-month lease to a three-year lease term





# Background Continued



- Motive Power has been in business since 2012 and has had year-over-year growth since inception
- Motive Power Marine's E-Port Shipyard is Washington State's first fully permitted shipyard since 1992.



# Motive Power Marine, LLC Lease Location







# Motive Power Marine, LLC

## Lease Terms



- **Lease Premises:** Approximately 3.6 acres of yard space, 0.80-acre boat ramp, 1,593 square feet of office space, 340 square feet of warehouse storage, 0.17-acre parking, and 275 square feet of restrooms, located at 401 Alexander Avenue, Tacoma, WA.
- **Use:** Hauling and launching of vessels; and upland repair, inspection, deconstruction, and maintenance of vessels to include painting, sanding, and welding.
- **Lease Commencement Date:** June 1, 2023
- **Lease Term:** Three (3) years with two, three-year extensions upon mutual approval
- **Rent:** \$32,545.40/mo. (\$390,544.00/yr.).
- **Rent Escalation:** Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.

# Motive Power Marine, LLC - Lease Terms Continued



- **Security Deposit:** \$440,689.00 (one-year's rent + leasehold tax).
- **Utilities:** Lessee's responsibility
- **Lessee Maintenance / Repair Responsibility:**
  - Minor building electrical system repairs
  - Secondary plumbing system: sinks, toilets, fixtures, minor leaks, plugs
  - Interior door repairs and roll up door repairs and maintenance
  - Storm water system cleanout
- **Lessor Maintenance / Repair Responsibility:**
  - Major building electrical system repairs
  - Building, roof, gutters, and exterior walls
  - Primary plumbing system
  - Fire suppression system



# Action Requested

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# Questions & Discussion



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