

Second Reading: NTR Logistics Lease – 1702 Port of Tacoma Rd.

Presenter:

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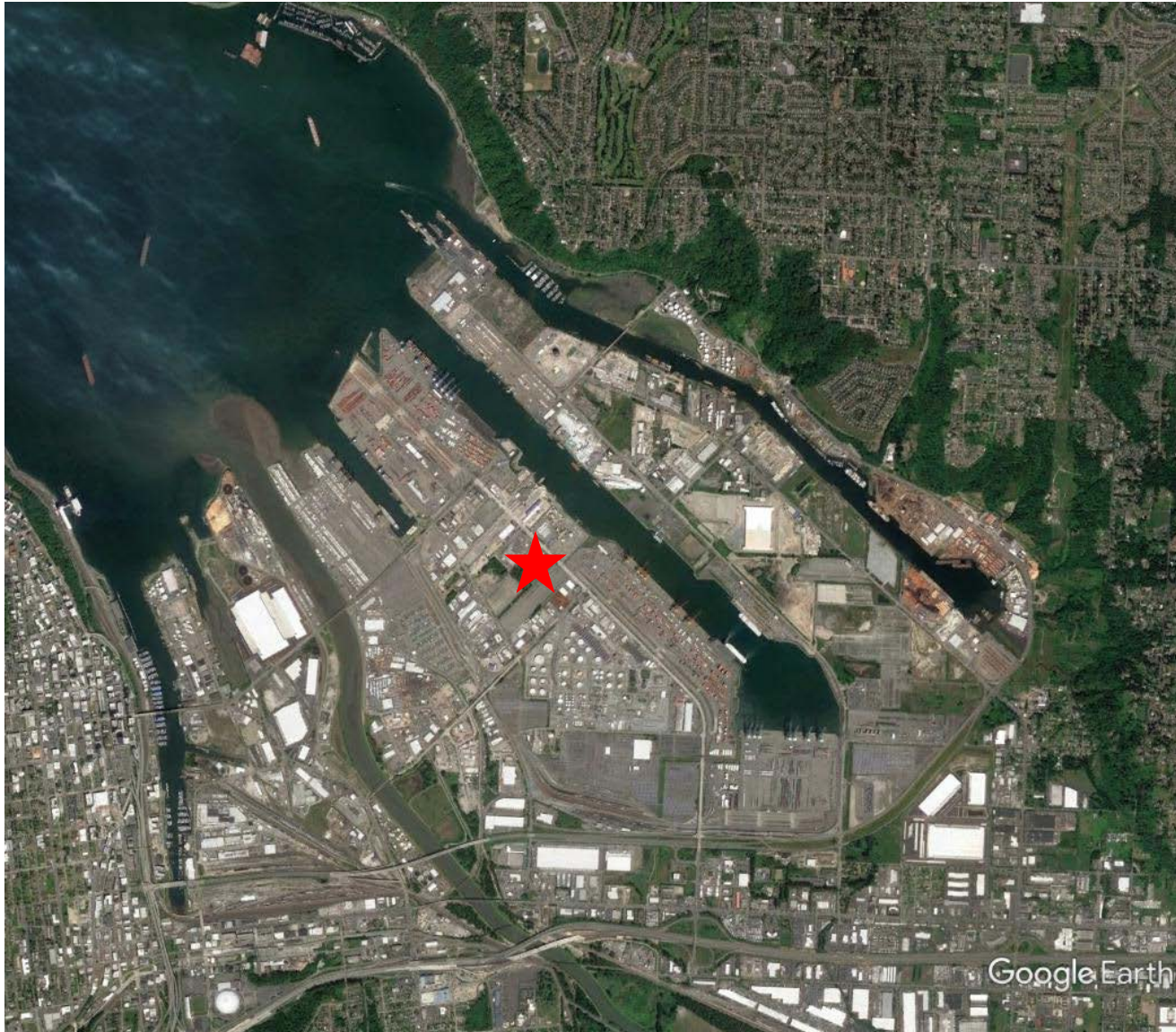
Action Request



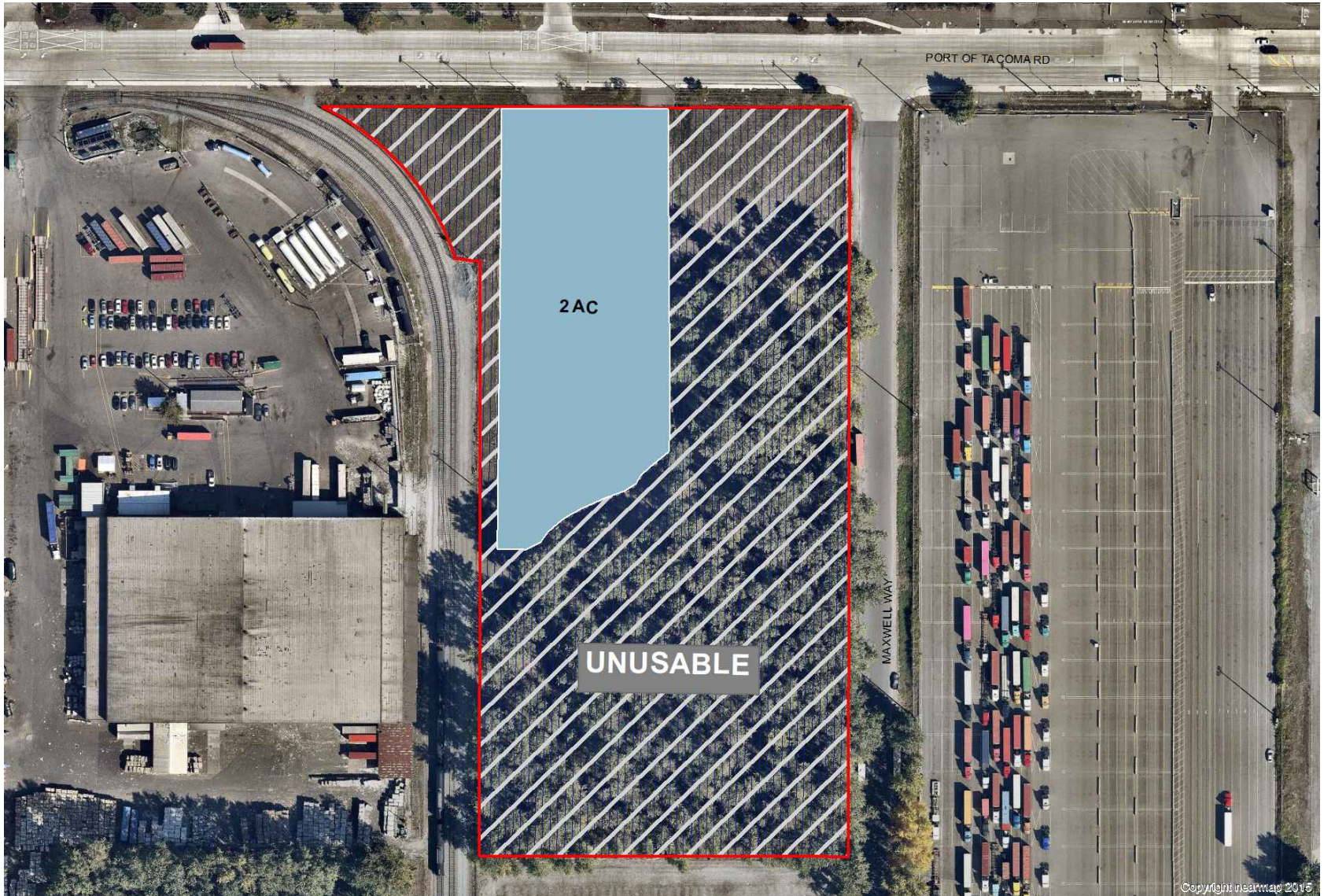
Authorization for the Chief Executive Officer or his designee to enter into a three-year lease with NTR Logistics, LLC for yard space located at 1702 Port of Tacoma Road, Tacoma, WA.



NTR Logistics – Lease Location



NTR Logistics – Lease Premises



Background



- NTR Logistics has operated in the Port of Tacoma tideflats since 2012.
- NTR transloads and hauls tower flanges, hubs, and bed frames for windmills, which are imported mostly through WUT and sometimes Husky Terminal.
- NTR has leased this site on a month-to-month lease since November 2018.
- NTR now wishes to execute a 3-year lease with two 1-year mutually approved extensions.

NTR Logistics – Lease Terms



- Use: Transloading and truck/trailer parking.
- Premises: 2 acres of yard space.
- Lease Term: Three (3) years with two, one-year mutually approved options to extend.
- Rent: \$12,000/mo. (\$144,000/yr.)
 - \$0.14 per square foot per month.
- Rent Commencement Date: June 1, 2019.
- Rent Escalation: Annual escalation based on CPI-U Seattle-Tacoma-Bellevue.
- Utility Expenses: Lessee responsibility.

NTR Logistics – Lease Terms Cont'd



- Security Deposit: \$162,490 (one year's rent + leasehold tax)
- Insurance Requirements: \$2 Million General Liability.
- Maintenance and repair responsibilities are Lessee's.

NTR – Lease Benefits



- This lease retains 5 jobs in Tacoma.
- Continued utilization of Port property.
- Approximately 30 flat-racks are shipped through the Port of Tacoma each month.
- This lease supports the Port's core business of moving international cargo.
- The monthly rent of \$12,000 or \$144,000 annually is an increase over the budgeted 2019 operating revenue.
- This is an increase over prior year's actuals which only included two months of rent at this property.

Action Requested

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