

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 6/27/2018
TO: Commission
FROM: Sam Gibboney, Executive Director
SUBJECT: Issues to Consider May Affect the Minimum Price of Real Estate

ISSUE

The Port is analyzing lease terms for lease of the Administration Building at Point Hudson. The Commission seeks to consider issues and factors that may affect the minimum price at which real estate associated with this proposal may be offered for lease.

The Commission wishes to consider such factors in accordance with RCW 42.30.110(c).

BACKGROUND

WDFW is seeking to renew the lease beginning September 1, 2018.

DISCUSSION

The Commission may seek to consider in executive session factors and issues that may affect an acceptable minimum price for the lease of real estate in accordance with RCW 42.30.110(c).

Such issues and factors that the Commission might choose to consider include (but are not necessarily limited to) the following:

Term

- WDFW is requesting a 5-year term.

Rate

- Gross rate includes all rents, repair & maintenance, and utilities and parking and storage.
- Only exemption is cleaning services.

Capital Improvements

Creosote

- WDFW is requiring mitigation of creosote smell and lighting.
- Solutions involve air to air exchange and heating of air and undercoat the building.

Lighting

- Walkway and Parking Lighting solutions and costs are unknown
- WDFW is requiring lighting per state standards from premises to parking area
- Estimated costs known nor whether the City will allow this to be permitted
- Parking – included in gross rate

Duty to Cure

- DES has not agreed to these terms to limit Duty To Cure clause and the Self Help.
- Duty to Cure language demanded by DES could impose unknown costs to Port if retained

Self Help

- DES could contract outside services to remedy the smell at unknown and uncapped cost levels.

FISCAL IMPACT

To be determined.

RECOMMENDATIONS

We recommend that the Commission consider the above related issues and factors as they relate to an acceptable minimum price.