

# PUD STRATEGIC FACILITIES PLAN

## PORT INDUSTRIAL BUILDING #5 LEASE

September 17, 2018





# Today's Agenda

## INFORMATION ONLY

## NO BOARD ACTION REQUESTED

- Terms of Lease Agreement for Port Industrial Building #5 (IB#5)
- Planned District use of IB #5 facility
- Update on progress of other documents related to the Olds Station land purchase
- Discussion/Questions





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# Property Acquisition



## Properties Involved in Transaction

- Undeveloped Port properties totaling 19.05 Acres
- Port Industrial Building #5 – 26,000 square feet
- Confluence Technology Center Units LL1 and 201 totaling 19,285 square feet.



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# Lease Agreement Details

## Major Elements of the Agreement

- PUD to lease 26,000 square feet of combined office and warehouse/industrial space
- Initial Term is four (4) years with two (2) PUD optional renewals, each for an additional one (1) year.
- Lease rate is \$0.65 per square foot per month with additional direct cost reimbursement of common area maintenance expenses.
  - Fire system
  - Landscape/parking lot maintenance
  - Site utilities

## Other Important Provisions

- Tied to other acquisition agreements (Sale of land and CTC condo units, lease of CTC spaces, options for purchase, etc.)
- Option to terminate by either party if land sale does not close or if the PUD decides not to pursue development of a facility on the Port's Olds Station property.



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## Planned Use of IB #5

### **Priorities for PUD Use of IB #5 Building**

- Relieve “pent-up” demand for additional operational space
- Relocate groups that are currently leasing facilities in other areas
- Relocate materials that are in facilities that need immediate repairs or improvements
- Provide space for Operations and Service Center/HQ project development team

### **Potential IB #5 Occupants**

- Fiber/Telecom Business Unit
- Distribution Meter Shop/AMI
- Lands Maintenance Crew
- Asset Management Team
- Engineering and Project Management Facilities Development Team



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## Port/PUD Term Sheet Documents

Nine documents to be developed, reviewed and approved

- Access Agreement for early investigation work - *Approved August 1<sup>st</sup>*
- Lease of Industrial Building #5 – *Presented 09/17/18*
- Remaining documents – *currently undergoing review/comment*
  - Purchase and Sale Agreement for land (19.05 acres)
  - Purchase and Sale Agreement for PUD condo units (LL1 & 201)
  - Lease of LL1 & 201 from Port
  - Use Agreement for Video Conference Center
  - Capacity Reservation Agreement for CTC
  - Option for Port to purchase land back from PUD (19.05 acres)
  - Option for Port to purchase Fifth St. and/or Hawley St. Parcels

# Questions

