



City of Tacoma

City Council Action Memorandum

TO: Elizabeth A. Pauli, City Manager
FROM: Susie Rogers, Senior Real Estate Officer, Public Works *MPS*
Michael P. Slevin III, P.E., Environmental Services Director
COPY: City Council and City Clerk
SUBJECT: Resolution - Lease Agreement - New TAGRO Warehouse/Storage Site - July 28, 2020
DATE: July 6, 2020

SUMMARY AND PURPOSE:

A resolution authorizing the execution of a new lease agreement for a term of five (5) years with DAJOBAR, LLC, for the use of facility located at 2336 – 2342 Court “E”, Tacoma, WA 98402, for the storage of bagged TAGRO products.

BACKGROUND:

This Department’s Recommendation is Based On: The desire to obtain larger space to store TAGRO bagged products to accommodate expanding operations and to have warehouse facilities at a centralized location in close proximity to the Central Wastewater Treatment Plant so product is more readily available for City operational efficiency allowing for better allocation of employee resources and time. .

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The new location is for warehouse/storage use only and will not be utilized to serve the public. However, the location may allow for more visibility of the City’s TAGRO brand as the location of the warehouse site is closer in-City.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: Limited Impact

This legislation has limited impact on Equity and Accessibility other than potential increased visibility of the TAGRO brand.

Economy/Workforce: High Opportunity

Decrease the number of vacant properties downtown and in the neighborhood business districts.

Livability: Moderate Opportunity

Improve exposure to and proximity by residents of diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Help natural environment.

Explain how your legislation will affect the selected indicator(s).

Legislation approving the new lease to store TAGRO bagged products will (1) decrease the number of vacant downtown/neighborhood business district properties by filling spaces currently unoccupied and sitting vacant; (2) improve access and proximity of TAGRO bagged products for City employees; (3) help the natural environment by reducing carbon emissions by storing bagged product closer to the Central Wastewater Treatment Plant so there is less travel required both in duration and mileage.



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ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Maintain status quo	1. Neutral.	1. Downtown/Neighborhood Business District property will remain vacant; 2. TAGRO storage operations to continue at less desirable/convenient site; 3. Additional costs in terms of time and money for searching and securing new site and renewing lease at current location.

EVALUATION AND FOLLOW UP:

Success will be measured on TAGRO's ability to store products safely. At the end of the year an evaluation of the lease and the efficiency and storing of products will be conducted.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends authorization for the execution of a new lease agreement for a term of five (5) years with DAJOBAR, LLC, with effective date of August 1, 2020. This will decrease the number of vacant downtown/neighborhood business district properties; improve City operational efficiencies; and secure a longer-term lease at an operationally desirable location.



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FISCAL IMPACT:

The new lease site will give TAGRO the ability to store more bagged product and facilitate more efficient operations. The table below illustrates the cost of the lease over the 5-year period.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 4300/ ES Wastewater	CC: 527000	5417000	\$466,529.74
TOTAL			

What Funding is being used to support the expense?

Supported by Wastewater rates.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

- Lease Agreement with DAJOBAR, LLC