

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(40) – October 28, 2015

ITEM:

Consideration of authorizing staff to negotiate and enter into an agreement with GT USA for a two year lease for 40,000 SF of the 9001 Marlin Street warehouse with a two year renewal option. CPA will fund up to \$75,000 in capital improvements for required office, toilet room and paving. Final lease format will be subject to approval of CPA General Counsel and Port Attorney.

EXPLANATION:

GT USA is working with container users for refrigerated and non-refrigerated cross dock, storage and distribution requirements. After requesting several options, staff and GT USA have agreed on terms for a two year lease at \$2.65/SF or \$106,000 annual rent on the 40,000 SF Unit A of 9001 Marlin Street for year one and \$2.95/SF or \$118,000 annual rent in year two. CPA will fund capital cost of \$35,000 for an 800 SF office and toilet room and \$40,000 in paving improvements for a total cost of \$75,000. GT USA will invest in racking, cooler box equipment and any required additional equipment needed for the business or improvement required over and above those outlined. A two year option for 2018 at \$3.10/SF and 2019 at \$3.25/SF are also proposed and agreed upon.

Funding Review by Finance (Pat Poston):

The total NTE amount of \$75,000 is included in the FY16 Capital Budget and no increase is required. [Budget item 2075 - Tenant Improvements]

**Staff Recommends Approval
Prepared by John Walsh**



October 10, 2015

GT USA
445 Challenger Road, Suite 201
Cape Canaveral, FL 32920

Attn: Mr. Peter Richards

Re: Warehouse Lease Proposal
9001 Marlin Street, Unit A (South2/3)
40,000 SF Warehouse As Is (with office and paving allowance)

Dear Peter,

This letter serves as an offer of lease rental terms for 40,000 SF of 9001 Marlin Street, Unit A. This facility has three drive in doors, six tailgate truck doors, and is proposed as is current condition with all systems operational with allowances for required capital improvements. We propose a two (2) year lease with a start date of December 1, 2015.

Year 1 – 40,000 SF @ \$2.65/SF · \$106,000 (\$8,833/month)
Year 2 – 40,000 SF @ \$2.95/SF · \$118,000 (\$9,833/month)

These lease rates are NNN, with you responsible for taxes, insurance, utilities and maintenance cost.

We can offer a two year renewal option for 2018 and 2019 at rates of \$3.10/SF and \$3.25/SF or longer if desired.

Any building modifications, refrigerated units, cold storage, racking or retrofit, office fit out beyond allowance would be by GT USA. This lease is discounted from our standard rates to incentivize container business flow and logistics movements at Port Canaveral. CPA will be demolishing the attached modular office and will

provide an allowance for capital improvements with the southeast corner to allow for 800 SF of office with a toilet room and two new entry doors and windows with a \$35,000 budget. We will replace the access to front parking and loading and will provide a rear truck exit with a capital budget cost of \$40,000 included in the lease.

Thank you for the opportunity to offer these facilities to GT USA. We hope their use will help cross dock products to begin to flow through the container facilities. Please sign below if you are in agreement with the proposed terms and we will get a lease prepared. If required, we could expedite use of the warehouse as improvements are completed, if needed to accommodate a customer sooner.

Sincerely,

CANAVERAL PORT AUTHORITY



Scott Shepard, CCIM
Director, Real Estate

ACCEPTED:



GT USA
Peter Richards

Note:

Lease start date to be conditional on completion of office and access/exit improvements.

cc: Alberto Cabrera
Clyde Mathis
Craig Langley
John Walsh
Rodger Rees