

## COMMISSION MEETING

### INFORMATION

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**Date:** April 27, 2020

**To:** Port Commission

**From:** Brittany Williams, Manager of Properties and Marketing

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**SUBJECT: Harbor Square 1st Quarter 2020 Report**

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Harbor Square Property Management:

**Accounting:**

January - March '20 revenue enclosed

**New Lease:**

Bldg. 2 MTM (\$525.00) non-commissionable  
Bldg. 2 MTM (\$575.00) non-commissionable  
Bldg. 5 36 months (\$25,773.48) non-commissionable

**Lease Extensions & Expansions:**

Bldg. 1 Tenant extended 36 months (\$64,721.88), non-commissionable  
Bldg. 2 Tenant extended 84 months (\$95,524.80), non-commissionable  
Bldg. 2 Tenant extended 12 months (\$13,123.44), non-commissionable  
Bldg. 4 Tenant extended MTM (\$3,413.48), non-commissionable  
Bldg. 5 Tenant extended MTM (\$2,883.98), non-commissionable  
Bldg. 5 Tenant extended 12 months (\$21,845.28), non-commissionable

**Tenant Improvements:**

N/A

**EOL:**

Building 1 Tenant

**Projects:**

- Bldg 3 Construction
- Bldg 3 Landscape Maintenance
- Bldg 5 Basic Restroom Improvements

**Incidents:**

March 2020: WA State stay-at-home orders for non-essential workers/businesses. Buildings remain open and accessible for tenants at Harbor Square as we have a handful of essential business that are still operating.

**Q2 Insight: Rent Deferral Program**

- See attached sample rent deferral agreement (lease amendment)
- Participants include:
  - o Two business moorage tenants
  - o Two west side commercial tenants
  - o 14 Harbor Square commercial tenants

**Harbor Square Business Park: 1st Quarter Report - Gross**

<b>2020</b>	GPI basis								
<b>Month</b>	<b>Bldg.1</b>	<b>Bldg.2</b>	<b>Bldg.3</b>	<b>Bldg.4</b>	<b>Bldg.5</b>	<b>Hotel</b>	<b>HSAC</b>	<b>Other</b>	<b>TOTAL</b>
January	\$ 25,503.84	\$ 43,355.61	\$ 22,568.35	\$ 22,673.07	\$ 28,646.50	\$ 7,002.22	\$ 29,306.67	\$ 829.96	\$ 179,056.26
February	\$ 16,832.11	\$ 43,379.15	\$ 22,568.35	\$ 22,746.55	\$ 28,661.91	\$ 7,002.22	\$ 29,306.67	\$ 1,785.52	\$ 170,496.96
March	\$ 16,845.81	\$ 43,498.79	\$ 22,568.35	\$ 22,828.66	\$ 28,781.89	\$ 7,002.22	\$ 29,306.67	\$ (42,151.68)	\$ 170,832.39
				<b>2020</b>	<b>Occupancy at end of quarter</b>		<b>94.90%</b>	<b>2020</b>	<b>\$ 520,385.61</b>
				2019	Occupancy at end of quarter		98.22%	2019	<b>\$ 522,268.87</b>
								<b>Variance</b>	<b>\$ (1,883.26)</b>
						<b>% Change</b>	<b>-3.32%</b>	<b>% Change</b>	<b>-0.36%</b>

*CAM adjustments took place in the month of March (see March "other" column)*

**EOL:**

Hart Crowser Bldg 1

**Security Deposit Refunded:**

Hart Crowser Bldg 1 \$10,001.88

**Security Deposit Received:**

K & R Insurance Services Bldg 2 \$1,150.00  
 Endeavor Wine Brokers, LLC Bldg 2 \$1,050.00  
 Hart Crowser Bldg 2 \$1,615.72

**2019**

<b>Month</b>	<b>Bldg.1</b>	<b>Bldg.2</b>	<b>Bldg.3</b>	<b>Bldg.4</b>	<b>Bldg.5</b>	<b>Hotel</b>	<b>HSAC</b>	<b>Other</b>	<b>TOTAL</b>
January	\$ 24,830.11	\$ 41,155.16	\$ 21,398.17	\$ 22,653.63	\$ 27,819.35	\$ 6,738.69	\$ 29,284.17	\$ 1,777.95	\$ 173,879.28
February	\$ 25,156.88	\$ 41,178.61	\$ 21,398.17	\$ 22,430.18	\$ 27,819.35	\$ 6,813.46	\$ 29,284.17	\$ 2,766.00	\$ 174,080.82
March	\$ 25,156.88	\$ 41,276.48	\$ 21,398.17	\$ 22,425.94	\$ 27,953.67	\$ 6,813.46	\$ 29,284.17	\$ 4,820.46	\$ 174,308.77
				2019	Occupancy at end of quarter		98.22%	2019	<b>\$ 522,268.87</b>
				2018	Occupancy at end of quarter		94.04%	2018	<b>\$ 480,979.19</b>
								<b>Variance</b>	<b>\$ 41,289.68</b>
						<b>% Change</b>	<b>4.18%</b>	<b>% Change</b>	<b>8.58%</b>

*CAM adjustments took place in the month of March*

## EXAMPLE

### Amendment to Lease No. 2 Tenant Rent Relief

This Amendment to Lease is made this **23rd day of March 2020** by and between the **Port of Edmonds**, hereinafter called "Landlord," and **EXAMPLE, LLC**, hereinafter called "Tenant."

WHEREAS, Landlord and Tenant entered into a Lease dated April 27, 2017 and amended April 22, 2019 for approximately **1,035** rentable square feet of floor area being Building **2**, Suite **F-2**, located at **120** West Dayton, Edmonds, Snohomish County, Washington (hereinafter called "the Premises"), as more fully described in the Lease; and

Whereas, Tenant's lease term ends on **May 31, 2023**, and

Whereas, the Landlord recognizes that the COVID-19 pandemic has affected Port business tenants; and

Whereas, the Landlord wishes to offer business tenants some rent relief during this unusual time; and

Whereas, the Tenant's current rent is as follows:

Monthly Contracted Base Rent:	\$ 1,500.00
<u>Leasehold Tax:</u>	<u>\$ 192.60</u>
Total:	\$ 1,692.60

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

- Tenant shall pay the following monthly minimum from **April 2020 to June 2020**:

Leasehold Tax:           **\$ 192.60**

- Tenant may postpone monthly payment from **April 2020 through June 2020** of:

Monthly Contracted Base Rent:           **\$ 1,500.00**

- Beginning **July 1, 2020**, Tenant shall return to paying their regular monthly payment.
- Tenant may choose how to pay back the postponed payment. Total postponed amount must be paid to the Port by: **June 30, 2021**.
- If Tenant pays the reduced amount shown above from April to June, returns to paying their regular monthly payment beginning July 1, 2020, and pays the postponed balance in full by the due date above, the Port will not charge late fees or interest on the postponed payments.

**EXAMPLE**

If Tenant fails to follow the terms above, the Landlord may begin charging late fees in accordance with the Tenant's lease agreement.

LANDLORD:  
Port of Edmonds

TENANT:  
Example, LLC

By: \_\_\_\_\_  
Robert E. McChesney  
Executive Director

By: \_\_\_\_\_  
Example Example  
CEO