ACTION ITEM MEMO
Port of Tacoma Commission

Item No: 6G
Meeting Date: 11/17/26

DATE: November 9, 2026

TO: Port of Tacoma Commission

FROM: Eric Johnson, Executive Director

Sponsor: Debbie Shepack, Sr. Director, Real Estate

Project Manager: Tyra Dieffenbach, Sr. Manager, Real Estate Leasing & Acquisition

SUBJECT: Motive Power Marine Lease – New Lease for 401 E. Alexander Ave. (1st Reading)

A. ACTION REQUESTED

No action is requested at this First Reading. The following Action Request will be made at the December 15, 2026 meeting:

Authorization for the Executive Director, or his designee, to enter into a new 12-month lease with Motive Power Marine, for approximately 4.37 acres of yard space, a 0.80-acre boat ramp, 1,593 square feet of office space, 340 square feet of warehouse storage, 0.17 acre of parking, and 275 square feet of restrooms, located at 401 E. Alexander Ave., Tacoma, Washington.

Strategic Plan Initiative

EV 1: Strategically acquire and develop real estate to support marine trade activity of the Port and The Northwest Seaport Alliance.

B. BACKGROUND

Motive Power Marine currently leases approximately 3.6 acres of yard space, a 0.80-acre boat ramp, 1,593 square feet of office space, 340 square feet of warehouse storage, 0.17 acre of parking, and 275 square feet of restrooms, located at 401 Alexander Ave under a month-to-month lease that began June 1, 2026. Motive Powers has been a tenant operating under various leases with the Port at this location since 2017.

The proposed new lease with Motive Power would convert their current month-to-month lease to a one-year lease term with two one-year extension options by mutual

Motive Power currently pays $36,251.29 per month in rent for its leased premises and is subject to annual Consumer Price Index (CPI) adjustments. Rent for the new term lease will increase to $43,585.54 per month and will continue to have annual Consumer Price Index (CPI) adjustments.

C. LEASE TERMS

- Lease Premises: 4.37 acres of yard space, a 0.80-acre boat ramp, 1,593 square feet of office space, 340 square feet of warehouse storage, 0.17 acre of parking, and 275 square feet of restrooms, located at 401 Alexander Ave
- Use: Hauling and launching of vessels; and upland repair, inspection, deconstruction, and maintenance of vessels to include painting, sanding, and welding.
- Lessor shall provide Lessee with replacement space consisting of a new modular building comprising approximately 2,016 square feet and a separate restroom building comprising approximately 528 square feet.
- Lease effective date: January 1, 2027
- Lease Term: One year with two, one-year extensions upon mutual approval
- Rent: $43,585.54/month ($523,026.48/year)
- Rent Escalation: Annual escalation based on CPI-U-Seattle-Tacoma-Bellevue
- Security Deposit: $590,183.02 (one year's rent + leasehold tax)
- Insurance Requirements:
  - $2 Million general liability
  - $5 Million pollution liability
  - $1 Million auto liability

D. TIMEFRAME/PROJECT SCHEDULE

First Reading	November 17, 2026
Second Reading	December 15, 2026
Lease Commencement	January 1, 2027

E. FINANCIAL SUMMARY

The new lease is $7,334.25/monthly increase from the current month-to-month lease, resulting in an annual increase to the Port of $88,011.00

F. ECONOMIC INVESTMENT / JOB CREATION

Motive Power has approximately 38 employees or about 10.6 jobs per acre.

G. NEXT STEPS

The Second reading is scheduled to occur on December 15, 2026. Upon Commission approval of the requested action, the Port Executive Director or his designee will execute the lease documents.