

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6C
Meeting Date: 06/16/26

DATE: June 8, 2026
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Debbie Shepack, Sr. Director, Real Estate
Project Manager: Einar Roden, Sr. Manager, Real Estate and Business Development
SUBJECT: Saxum Investment Company, LLC Lease - Second Reading

A. ACTION REQUESTED

Request authorization for the Executive Director, or his designee, to enter into a 50-year ground lease with Saxum Investment Company, or affiliated entity, for the premises which include approximately 30.47 acres of land located at 1221-1225 E. Alexander Avenue, Tacoma, WA.

Strategic Plan Initiative: EV-1, EV-2, EV-3, EL-1, OS-2

B. BACKGROUND

1. Saxum Real Estate is proposing to build approximately 574K SF of Cold Storage and Food Processing Facilities
2. The site includes several parcels between Taylor Way and Alexander Ave (30.47 Acres)
3. The Project will be completed in one phase and include areas for processing, cold storage, office space, shipping and receiving, truck loading, and a rail dock
4. These facilities are needed to service existing Port of Tacoma/NWSA customers and to attract new ones
5. The developer has estimated this project to add up to 400 new or expanded jobs, \$43M in annual wages, 15K trucking loads per year, 17K container loads per year, and 26M pounds of food storage capacity
6. Port related commerce could increase by up to 2.5% according to developer's estimates

C. SCOPE OF WORK

- Port will complete environmental remediation and invasive snail abatement
- Saxum will build the Cold Storage Facilities and all supporting infrastructure
- Saxum is responsible for all maintenance and repairs

D. TIMEFRAME/PROJECT SCHEDULE

Lease Signing (Effective Date)	June 16, 2026 (estimated)
Lease Commencement Date	December 1, 2026 (estimated)
Rent Commencement Date	June 1, 2028 (estimated)
Lease Term	50 Years
Lease Extensions	Three 10-Year Options to Extend

E. FINANCIAL SUMMARY – PRIMARY LEASE TERMS

- Lease Premises: Approximately 30.47 acres of land spanning multiple parcels
- Use: Cold Storage and Food Processing facilities, Distribution, and other permitted uses
- \$500,000 Initial Deposit due after lease signing and receipt of zoning letter from the City
- Lease Commencement Date: Upon delivery of remediated property (est. December 1, 2026)
- \$980,000 Entitlement Deposit due within 3 business days of Lease Commencement date
- Rent Commencement Date: Earlier of completion of the first building or 2 years from the Lease Commencement Date
- Lease Term: 50 years with three 10-year extension options
- If all extensions are exercised the expiration of the lease will be in 80 years
- Right of First Offer (ROFO): Tenant has the Right of First Offer to lease after all extensions have been exercised
- Starting Rent: \$234,619/month plus Leasehold Excise Tax
- Rent Escalations: Every 5 years, based upon compounded annual CPI index, not to exceed 3% per year
- Fair Market Rent Resets: Resets occur at year 26 and every 10 years thereafter and are capped at 15% increase over preceding month's rent
- Security Deposit: \$1,588,464 (6 months' rent + leasehold excise tax)
- Insurance Requirements:
 - \$5 Million General Liability
 - \$1 Million Employer Liability
 - Worker's Comp Insurance (as required by law)
 - \$2 Million Auto Liability
 - Builder's Risk Insurance
 - Pollution Liability Insurance (as commercially reasonable)
- Lessor Maintenance/Repair Responsibility:
 - N/A – All improvements are the responsibility of the Lessee
- Lessee Maintenance/Repair Responsibility:
 - All improvements are the responsibility of the Lessee, including:
 - Exterior walls, roofs, doors, windows
 - Parking lots, driveways, and loading docks
 - Building electrical systems
 - Fire suppression systems
 - HVAC
 - Primary plumbing systems
 - Secondary plumbing systems
 - Fencing and Gates
 - Storm water system
 - Freezer maintenance and repair

F. ECONOMIC INVESTMENT / JOB CREATION

- Saxum projects investing approximately \$250,000,000 in this project
- 400 new or expanded jobs (estimated)

- Port of Tacoma/NWSA related jobs expanded by 1.5% (estimated)
- Port related commerce expanded by 2.5% (estimated)

G. ENVIRONMENTAL IMPACTS / REVIEW

- Port is converting contaminated land into leasable area
- Ditch to be filled in, TWAAFA remediation to be finished
- Invasive snail species to be eradicated from the site

H. NEXT STEPS

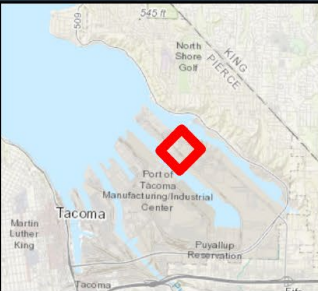
Upon Commission approval of the requested action, the Port Executive Director or his designee will enter into a long-term ground lease with Saxum Investment Company, LLC or affiliated entity.



Document Path: L:\Projects\LeaseExhibits\Leases\16&65&102&114&116&117-Saxum\Saxum-ColdStorageFacility.mxd

EXHIBIT A-2
SAXUM INVESTMENT COMPANY
COLD STORAGE FACILITIES
1221-1225 E ALEXANDER AVE
TACOMA WA, 98401

 Total Leased Area
 Port Parcels
 PC Tax Parcels



SHEET: 1 OF 1
PURPOSE: LEASE
DATE: 8/6/2025
AUTHOR: Brian Archer

0 137.5 275 550 Feet
DISCLAIMER: The information included on this map has been compiled by Port of Tacoma staff from a variety of sources and is subject to change without notice. These data are intended for informational purposes and should not be considered authoritative for engineering, navigational, legal and other site-specific uses. The Port of Tacoma makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information.



Port of Tacoma
 PO Box 1837 Tacoma, WA 98401 (253) 383-5841