

Item: 6C

Date: 6/16/26

Second Reading: Saxum Investment Company, LLC Lease

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Port of Tacoma Commission Meeting

June 16, 2026



Action Requested

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

- Saxum Investment Company, LLC “Saxum” is a national real estate development company specializing in the construction of industrial buildings, cold storage facilities, and housing projects
- Founded in 2014, based in Summit, New Jersey
- Portfolio includes \$3.4 Billion in capitalizations
- Saxum has identified the Port of Tacoma as a strategic location to build approximately 574K square feet of cold storage and food processing facilities

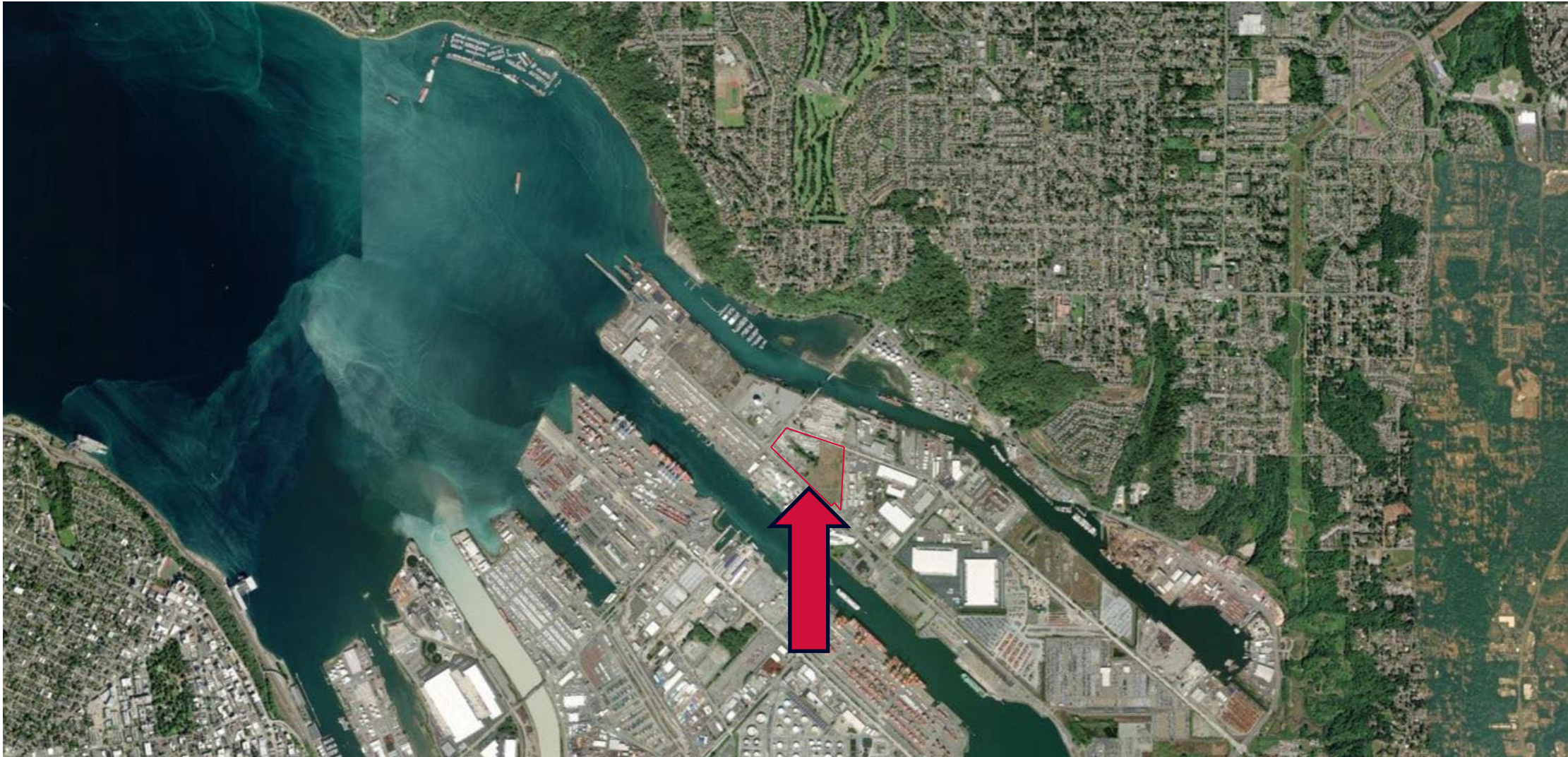
This new development project includes construction of the following:

- 113K SF Processing Facility
- 10K SF Office Space
- 210K SF Cold Storage Building
- 19K SF Rail Dock
- 222K SF Cold Storage Building
- Approximate Total 574K SF

Developer's Estimated Job Creation Numbers:

- Up to 400 new or expanded jobs
- Potential for \$43M new annual wages
- 15K additional trucking loads per year
- 17K additional container loads per year
- 26M pounds of food storage capacity
- Port related commerce to grow by 2.5%

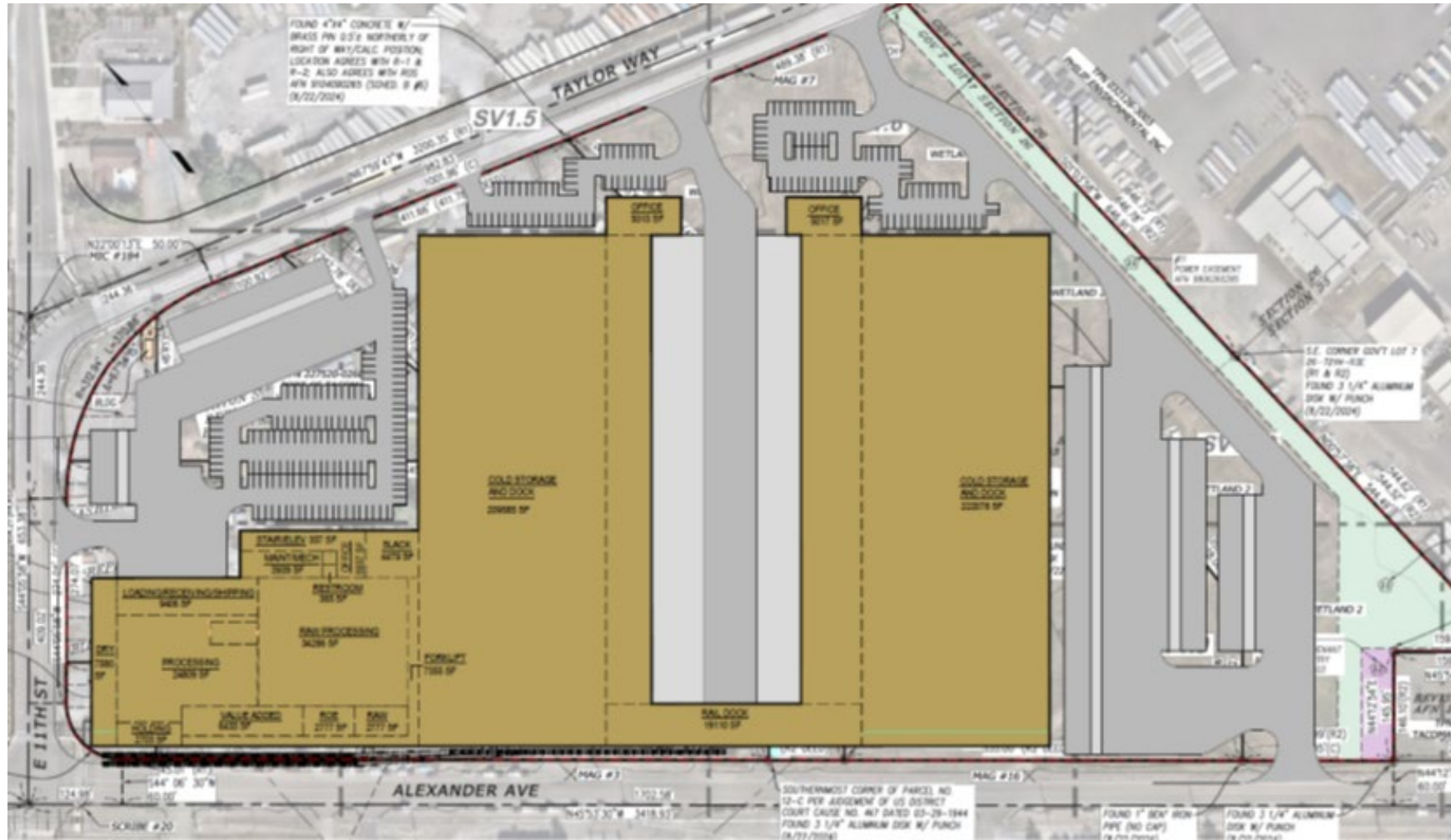
Property Location



Property Location



Site Design



- **Lease Premises:** Approximately 30.47 Acres
- **Use:** Construct and operate cold storage facilities
- **Lease Commencement Date:** Upon completion of environmental work, estimated December 1, 2026
- **Rent Commencement Date:** Earlier of completion of building or 2 years from Lease Commencement Date
- **Lease Term:** 50 years, with three 10-year extension options
- **Initial Rent:** \$234,619/month plus Leasehold Excise Tax

- **Rent Escalations:** Every 5 Years by compounded annual CPI-U Index adjustments, not to exceed 3% per year
- **Fair Market Rent Resets:** Occur at Year 26 and every 10 years thereafter and capped at 15% rent increase
- **Security Deposit:** 6 Months' Rent + Leasehold Excise Tax: a variance from Master Policy of 12 Months as Tenant has approximately a \$250M financial stake in this project

- **Right of First Offer (ROFO):** At the end of the Lease Term and after all extensions are exercised, Tenant shall have Right of First Offer to lease the premises
- **Other Deposits:** Tenant will make a \$500K Inspection Deposit following lease signing and receipt of a zoning letter from the City, and a \$980K Entitlement Deposit at the Lease Commencement Date: each deposit becomes non-refundable after 60 days and will count towards the required Security Deposit
- **Insurance:** Contractor's Performance Bond, Construction Completion Guaranty, Builder's Risk Insurance, \$5M of General Liability coverage, \$2M Auto Liability coverage

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Thank You

Questions & Discussion

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