

Item: 6G

Date: 6/16/26

First Reading: TR Port Commerce Center, LLC Amended & Restated Ground Leases

Tyra Dieffenbach

Sr. Manager, Real Estate

Port of Tacoma Commission Meeting

Date: June 16, 2026



No action is requested at this First Reading. The following Action Request will be made at the July 21, 2026 meeting:

Authorization for the Executive Director or his designee to enter into certain ground leases with TR Port Commerce Center, LLC for the following premises:

- a. Approximately 11.04 acres of land located at 2102 Milwaukee Way, Tacoma
- b. Approximately 7.73 acres of land located at 2144 Milwaukee Way, Tacoma
- c. Approximately 5.85 acres of land located at 2120 Milwaukee Way, Tacoma
- d. Approximately 2.21 acres of land located at 2144 Milwaukee Way, Tacoma
- e. Approximately 25.66 acres of land located at 2309 Milwaukee Way, Tacoma

Vicinity Map



Lease Premesis



- TR Port Commerce Center LLC (tenant) has 5 separate ground leases with the Port. Buildings and improvements are owned by the tenant.
- TR Port Commerce Center LLC is owned by the Teacher's Retirement System of Illinois.
- In 2015, they purchased the assets (buildings) from Northwest Building & were assigned the ground leases.
- They have a debt maturity in 2027.
- The ground leases have been in place since 1986, with current expiration dates of July 2066 (if all optional terms are utilized).

- **Use:** Priority use to businesses which either use the Port's marine terminal facilities or provide goods and services to such users.
- **Commencement Date:** January 1, 2026
- **Lease Term:** 50-years; expires December 31, 2075
- **Extension:** Optional 20-year upon mutual agreement

Lease Terms – Cont'd

- **Initial Rent:**

Lease #	Address	Rent Per Month
a	2102 Milwaukee Way	\$88,320.00
b	2144 Milwaukee Way	\$61,808.00
c	2120 Milwaukee Way	\$46,824.00
d	2144 Milwaukee Way	\$17,696.00
e	2309 Milwaukee Way	\$205,280.00

- **Rent Adjustments:** fixed 3.5% each year with fair market reset every 10-year by mutual agreement.
- **Security Deposit:** Equal to 12-month rent plus Leasehold Excise Tax.

Subtenant Profile

Lease #	Address	Acres <small>(rounded)</small>	Subtenants	Employees (per acre)
a	2102 Milwaukee Way	11 acres	W8 Shipping, LLC	20 (<2 / acre)
b & d	2144 Milwaukee Way	10 acres	Arclin Surfaces, LLC	25 (~2.5 / acre)
c	2120 Milwaukee Way	6 acres	American Promotional Events / Atlantic Moving & Storage	25 (~4 / acre)
e	2309 Milwaukee Way	26 acres	Quaker Sales & Distribution (PepsiCo)	75 (~2.5 / acre)

Financial Impacts

Lease #	Address	Acres	Current Rent Month (per Acre)	Proposed Rent @ \$8000/acre
a	2102 Milwaukee Way	11.04	\$82,530 (\$7,475/acre)	\$88,320
b	2144 Milwaukee Way	8 acres	\$35,056 (\$4,540/acre)	\$61,808
c	2120 Milwaukee Way	6 acres	\$42,492 (\$7,288/acre)	\$46,824
d	2144 Milwaukee Way	2 acres	\$16,536 (\$7,482/acre)	\$17,696
e	2309 Milwaukee Way	26 acres	\$116,432 (\$4,537/acre)	\$205,280
Total Per Month			\$293,496/month	\$419,928/month
Total Per Year			\$3,521,925/year	\$5,039,136/year <i>(additional \$1,517,211/year)</i>

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Thank You

Questions & Discussion



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