Item: 6B
Date: 8/18/26

Silverback Industries, LLC Lease Termination Agreement

Debbie Shepack, Senior Director, Real Estate

Elly Bulega, Engineering Project Manager II

Port of Tacoma Commission Meeting
August 18, 2026

Port of Tacoma
People. Partnership. Performance.

Action Requested

Authorization for the Executive Director, or his designee, to enter into a termination agreement for two existing leases with Silverback Industries, LLC for the premises located at 401 E. Alexander Avenue, Tacoma, WA, effective September 30, 2026.

Earley Business Center Property Location

Port of Tacoma

Background

Port of Tacoma

- **2021 Lease:** The Port executed a lease with Silverback for 23,455 SF of warehouse space and 0.26 acres of land at 401 E. Alexander Avenue (Building 407). Current rent is $12,538.59 per month, subject to annual CPI adjustments
- **2025 Lease:** The Port executed a second lease for a 12,000 SF replacement metal building; Silverback agreed to pay $2,000 per month rent and contribute $750,000 toward construction costs, of which $350,000 has been paid.
- **Prior Commission Action:** Commission approved $3.333 million for tenant relocation, bringing the total project authorized amount to $6.557 million.
- **Tenant Request:** Silverback has identified a more suitable Tideflats location for its operations and has requested termination of both Port leases.
- **Financial Impact:** Lease termination would eliminate tenant relocation requirements and avoid approximately $2.8 million in relocation costs.

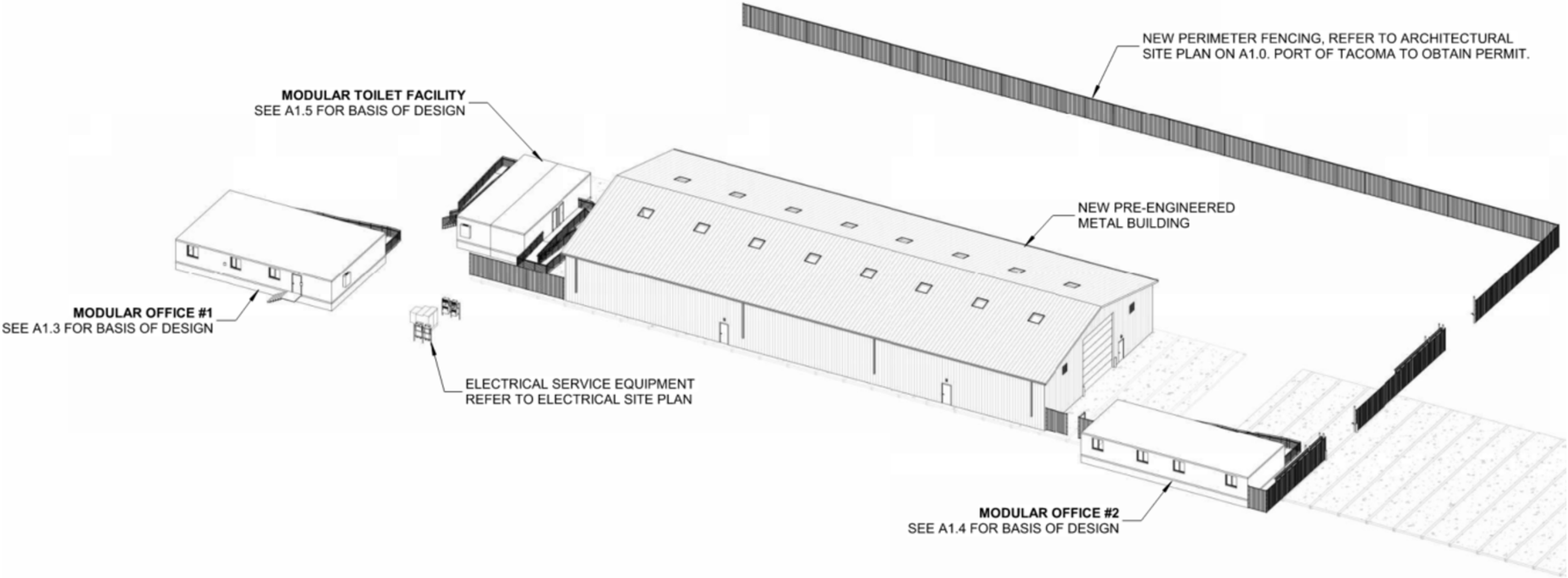
Earley Business Center Tenant Relocation Project

Port of Tacoma

Scope of Work

- Design and construct a duct bank to support Motive Marine operations
- Design and procure a prefabricated replacement metal building
- Design and install a new Tacoma Public Utilities transformer

Metal Building Site Plan



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ISOMETRIC SITE PLAN (FOR REFERENCE ONLY)

NTS

Financial Impacts of Lease Termination

Current Project Budget	
Total Authorization	$ 6,557,000
Projected Total Cost	$ 5,053,000
Remaining Uncommitted Funds	$ 1,504,000
Effect of Removing Silverback Scope	
Remaining uncommitted funds if Silverback scope is removed	$ 4,316,000
Remaining uncommitted funds if prefabricated metal building is constructed	$ 1,504,000
Est. Savings from removing Silverback scope	**$ 2,812,000**

Key Terms of Lease Termination

The proposed termination agreement includes the following key terms:

- Termination Fee: $5,000
- Effective date: September 30, 2026
- Reimbursement to Silverback: $350,000, representing Silverback's prior contribution toward the proposed replacement metal building

Action Requested

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Thank You

Questions & Discussion

Port of Tacoma

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