

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6C
Meeting Date: 8/18/26

DATE: July 23, 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: SAFE Boats International, LLC, Amended & Restated Lease (1st and 2nd Reading)

A. ACTION REQUESTED

Approval to waive the second reading and authorize the Executive Director, or his designee, to enter into an amended and restated lease with SAFE Boats International, LLC, for the premises located at 401 E. Alexander Ave, Buildings 532 and 326, Tacoma, WA.

Strategic Plan Initiative

EV 2: Invest in assets that support living-wage job creation throughout Pierce County.

B. BACKGROUND

SAFE Boats International, LLC (SAFE Boats) currently has two leases for Buildings 532 and 326. One lease expires October 31, 2026, while the other is on a month-to-month basis. This action would replace both leases with one amended lease expiring December 31, 2027. SAFE Boats builds vessels for commercial, public safety, and military use and currently has a contract to produce Mark VI military patrol boats. The company also produces "Merlin," an innovative autonomous hydrographic survey vessel. SAFE Boats employs approximately 54 people at its EBC location and has occupied space there since August 2012.

C. TIMEFRAME/PROJECT SCHEDULE

First and Second Readings of Lease	August 18, 2026
Lease Commencement Date	September 15, 2026
Lease Expiration Date	December 31, 2027

D. FINANCIAL SUMMARY

Primary Lease Terms

- Lease Premises: Approximately 3,524 SF Office, 66,341 SF Warehouse, 2.53 Acres
- Use: Manufacturing, storage, and delivery of aluminum watercraft
- Lease Commencement Date: September 15, 2026
- Lease Term: Expires December 31, 2027, with no extension options
- Starting Rent: \$43,323.62/month plus Leasehold Excise Tax

- Security Deposit: \$586,636 (twelve months rent + Leasehold Excise Tax)
- Use: Assembling, delivering, and storing aluminum watercraft, related activities, and office space
- Insurance Requirements:
 - \$4 Million General Liability
 - \$2 Million Pollution Liability
 - \$1 Million Auto Liability
- Early termination: Lessee may terminate early upon 30-days notice, Lessor may terminate early due to unsafe building conditions
- Indemnity: Lessee to hold Lessor harmless: Lessee accepts premises, “As-Is, Where-Is”
- Lessor Maintenance/Repair Responsibility:
 - Meter and Switch Gear service and maintenance that supports EBC properties
 - Freeze protection of plumbing and electrical systems (Primary)
 - HVAC for Building 326
 - Exterior lighting
 - Fire suppression system including fire panel repair and maintenance
 - NFPA fire suppression system inspection and testing
 - Plumbing backflow assembly annual test as per regulation
 - Yard and street fire hydrant inspection and maintenance
 - Lock repair and maintenance
- Lessee Maintenance/Repair Responsibility:
 - Major and minor building electrical systems
 - HVAC for Building 532
 - Light fixtures, data communications, and security systems
 - Primary and secondary plumbing systems
 - Roofing, exterior walls, exterior paint
 - Windows and doors
 - Mechanical units including dock levelers
 - Stormwater system
 - Asphalt, fencing, and gates

E. ECONOMIC INVESTMENT / JOB CREATION

- This action will preserve approximately 54 jobs at the EBC
- SAFE Boats will be able to fulfill contractual obligations already in place
- The Port will collect monthly rental income for the premises

F. ENVIRONMENTAL IMPACTS / REVIEW

- Port is performing environmental remediation at the EBC
- SAFE Boats will remain responsible for any environmental contamination they create

G. NEXT STEPS

Executive Director or his designee will sign the lease following Commission approval