Item: 6C
Date: 9/15/26

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

Tyra Dieffenbach

Sr. Manager, Real Estate

Port of Tacoma Commission Meeting

Date: September 15, 2026

Port of Tacoma

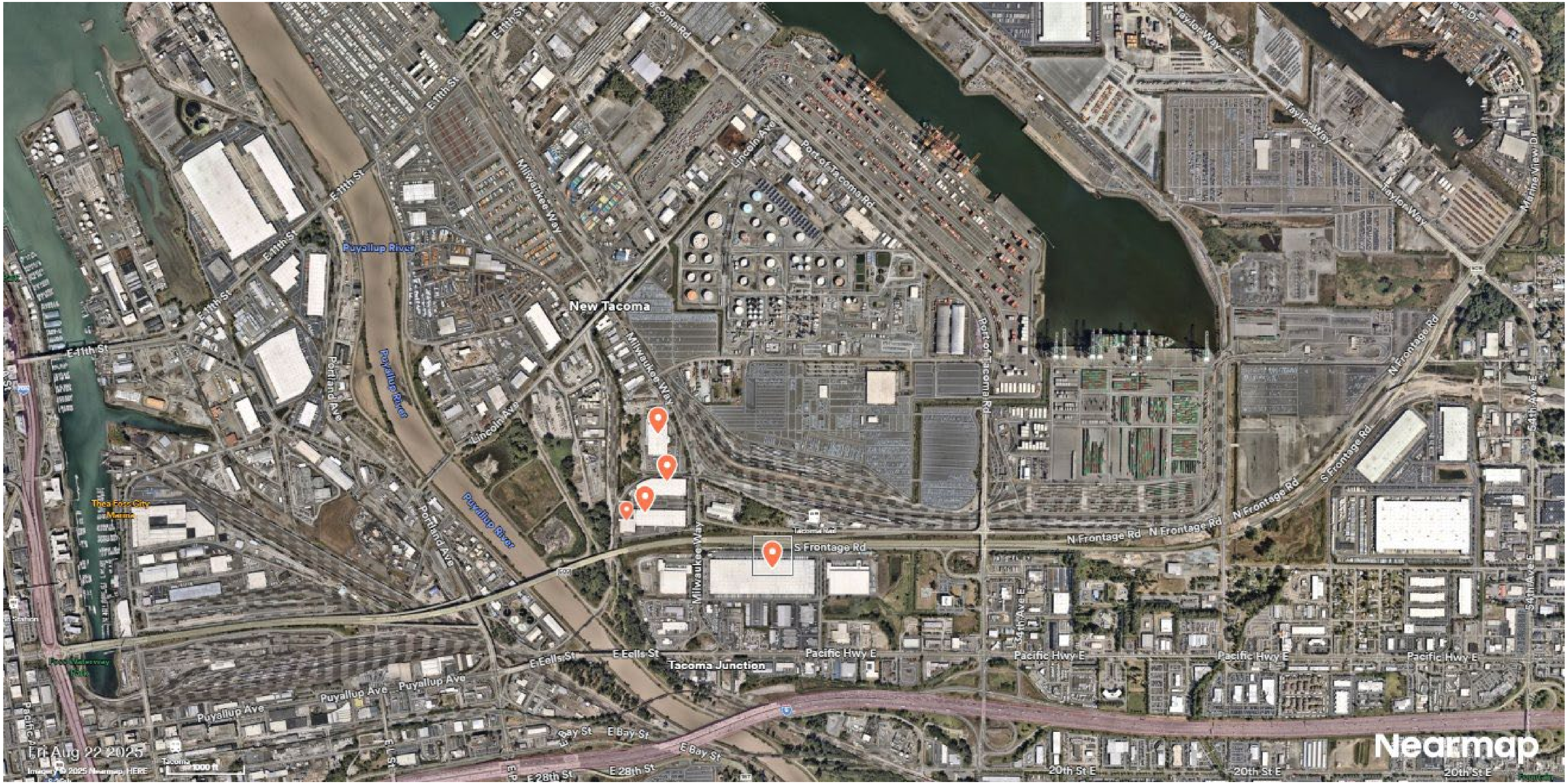
People. Partnership. Performance.

Action Requested

Port of Tacoma

Authorization for the Executive Director or his designee to enter into five amended and restated ground leases with TR Port Commerce Center, LLC consistent with the terms and conditions as presented, and execute an Estoppel and Non-Disturbance Agreement related to the same.

Vicinity Map



Lease Premesis

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Background

- 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).

Lease Terms

- **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.

Estoppel & Non Disturbance Agreement

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- In 2015, the Port agreed to an Estoppel & Non-Disturbance Agreement with the tenant/lender.
- As part of this process, we have renegotiated the terms of that agreement, and will need to re-execute it with the amended and restated leases.
- The most recent changes materially strengthen the Port's position in several areas while preserving the language required by the lender.
- Overall, the revisions shift risk away from the Port, increase certainty around default and foreclosure scenarios, and clarify responsibility among Tenant, Lender, and the Port.

Subtenant Profile

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Lease #	Address	Acres (rounded)	Subtenants	Employees (per acre)
a	2102 Milwaukee Way	11 acres	Stryder Motorfreight USA, 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** *(additional $1,517,211/year)*

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Thank You

Questions & Discussion

Port of Tacoma

Tyra Dieffenbach
Sr. Manager, Real Estate
tdieffenbach@portoftacoma.com