

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6H
Meeting Date: 9/15/26

DATE: August 21, 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: New Lease – Concrete Technology Corporation (1st & 2nd Readings)

A. ACTION REQUESTED

Approval to waive the second reading and authorization for the Executive Director or his designee to enter into a new lease with Concrete Technology Corporation for the premises located at 1701 Port of Tacoma Road, Tacoma Washington.

Strategic Plan Initiative

EV 1: Strategically acquire and develop real estate to support marine trade activity of the Port and The Northwest Seaport Alliance.

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

B. BACKGROUND

Concrete Technology Corporation ("Concrete Tech"), a 75-year-old manufacturer specializing in precast and prestressed concrete products, operates a 30-acre facility at 1123 Port of Tacoma Road adjacent to Port Parcel 125. Driven by increased demand resulting from several active construction projects, Concrete Tech has an immediate need for additional laydown space to store concrete girders and other finished products. To support these operational requirements, the company has requested to lease approximately five acres of Port Parcel 125. The current occupant of Parcel 125, Auto Warehousing Company ("AWC"), previously relocated its operations to Port Parcel 69 located at 1736 Milwaukee Way, a Northwest Seaport Alliance ("NWSA") licensed property. Concurrently, an amendment to the Interlocal Agreement ("ILA") between the Port of Tacoma and the NWSA is scheduled for consideration by the Managing Members on September 1, 2026. The amendment would return the entirety of Parcel 125 to the Port of Tacoma, thereby making the property available for lease to Concrete Tech.

C. TIMEFRAME/PROJECT SCHEDULE

Lease Signing	September 15, 2026
Lease Commencement	September 16, 2026
Lease Expiration	September 15, 2029

Lease Extensions

Two 1-Year Options w/mutual consent

D. FINANCIAL SUMMARY

This action authorizes a new lease with Concrete Technology Corporation, generating base rental revenue of \$40,000 per month (equivalent to \$8,000 per acre per month), plus applicable leasehold excise tax. The lease will have an initial term of three years, with annual rental adjustments tied to the Consumer Price Index for All Urban Consumers (CPI-U). In addition, the Port reserves the right, at its sole discretion, to adjust rental rates above the CPI-U to reflect prevailing market conditions. The lease also includes two one-year extension options, subject to mutual agreement by both parties.

Primary Lease Terms

- Lease Premises: Approximately 5.0 acres of land at 1701 Port of Tacoma Road
- Use: Storage of concrete girders, precast and prestressed products, flat slabs, steel forms, flooring and roofing slab, construction materials, equipment, and incidental items
- Lease Commencement Date: September 16, 2026
- Lease Term: 3 Years
- Rent Increases: Annually by CPI-U Index, or based on current market trends
- Extensions: Two 1-Year options to extend by mutual approval
- Starting Rent: \$40,000.00/month plus leasehold excise tax
- Security Deposit: \$541,632.00 (twelve months' rent + leasehold excise tax)
- Other: Lessee to make a one-time payment of \$50,000 for expenses related to making the premises available as relocating AWC, the current tenant, requires tenant improvements at their new location: the total costs of relocating AWC are estimated to be \$100,000
- Lessee will install new fencing at the leased premises at their own expense
- Insurance Requirements:
 - \$2 Million General Liability
 - \$1 Million Auto Liability
- Lessor Maintenance/Repair Responsibility:
 - Yard/street fire hydrant required inspections and maintenance
 - Fencing and gates repair and maintenance
 - Vegetation control: mowing, plants, notices
 - Annual inspections
- Lessee Maintenance/Repair Responsibility:
 - All tenant improvements
 - Data, communications, and security systems
 - Pest control
 - Storm water systems, including cleaning, maintenance, repair
 - Gravel/asphalt yard repair and maintenance

E. ECONOMIC INVESTMENT / JOB CREATION

Concrete Technology Corporation has approximately 92 employees working on these projects, with newly awarded contracts in Alaska and Hawaii expected to support these positions for years to come.

F. **ENVIRONMENTAL IMPACTS / REVIEW**

Lessee shall keep the Premises in a clean and safe condition and shall comply with all applicable laws, rules, regulations, ordinances, permits and permit requirements, orders, and decrees of all governmental bodies.

G. **NEXT STEPS**

Following Commission approval, Executive Director or his designee will execute the lease with Concrete Technology Corporation.