

PORT OF TACOMA COMMISSION
ACTION ITEM MEMO



Item No: 6F
Meeting Date: 3/21/2023

DATE: 3/7/2023
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Alisa Praskovich, Chief, Strategic Projects and Commission Relations
Project Manager: Gloria Fletcher, Sr. Manager, Real Estate
SUBJECT: Lease Termination – Concrete Technology Corporation

A. ACTION REQUESTED

Authorize the Executive Director or his designee to terminate the current lease with Concrete Technology Corporation located at 1202 Port of Tacoma Road, effective March 31, 2023.

B. BACKGROUND

Concrete Technology Corporation (“Concrete Tech”) is currently leasing 5.8 acres of land at 1202 Port of Tacoma Road for storage of products related to their concrete casting operations at their main facility located at 1123 Port of Tacoma Road. The lease is scheduled to terminate on October 31, 2023, and included two one-year extension options subject to mutual agreement.

In fall of 2022 Concrete Tech approached the Port of Tacoma inquiring about the potential to exercise their first extension option. Due to the pending Husky Terminal reconfiguration, they were informed that it was unlikely we would grant that extension.

In late 2022 Concrete Tech determined that their business operations would not require this additional storage area and requested that their lease be terminated on March 31, 2023. After discussing with the terminal operator about the potential for them to backfill the premises, the Real Estate Office agreed to the termination, subject to Commission approval.

The terminal operator does not yet need the leased premises, however we have identified viable backfill opportunities and intend to have a new lessee on the property in early April.

The Port of Tacoma Commission approved the lease in July 2020 and any action taken on this lease requires Commission approval.

C. SCOPE OF WORK

Upon Commission approval, the Real Estate Office will:

- Document the lease termination with Concrete Tech

- Backfill the property with a new lessee

D. TIMEFRAME/PROJECT SCHEDULE

Commission Approval	March 21, 2023
Lease Termination	March 31, 2023
New Lessee confirmed	March 31, 2023
New Lease effective	April 5, 2023

E. FINANCIAL SUMMARY

Concrete Tech is currently paying \$40,582.59 per month for this 5.8-acre property. It should be noted that prior to the lease being effective, Concrete Tech contributed approximately \$100,000 in improvements to the site and to other Port property located on Marshall Road in order to relocate the former tenant of 1202 Port of Tacoma Road.

It is anticipated that the new lessee will pay at or above the current lease rate.

F. ECONOMIC INVESTMENT / JOB CREATION

Concrete Tech is a legacy Tacoma business, providing living wage jobs in the Tideflats area for over 70 years. This lease was for storage only, so there is no impact to their workforce.

G. ENVIRONMENTAL IMPACTS / REVIEW

There is no environmental impact to this lease termination.

H. NEXT STEPS

Upon Commission approval of the requested action, the Executive Director or his designee will authorize the lease termination, which will commence on or about April 1, 2023