

COVER MEMO

Briefing Date/Time: June 22, 2026

Staff Contact/Title: Mike Reid, Community and Economic Development Director, 360.764.5395, MikeR@portolympia.com

Subject: RHA Liberty Group LLC Lease Amendment No. 6

Purpose: Information Only Decision Needed

CONSENT ITEM

Background and Tenant Snapshot:

In 2018 RHA Liberty Group (RHA) was assigned this lease from the Harbor Wholesale. Harbor Wholesale Grocery Inc. was assigned the lease from ASKA Company in 2007. The land lease is located in the New Market Industrial Campus at 819 78th Ave SW, Tumwater WA. The current lease term is February 1, 1996 through January 31, 2026 with one 20-year option. RHA has and remains in good standing throughout the term of their lease.

RHA Liberty Group, LLC has been a proud Port of Olympia tenant since 2018. They were delighted to find a location and building that far exceeded their expectations. RHA is commencing a sublease of the building to TerraFirma, a company that specializes in home ownership services to include, crawl space moisture control, foundation repair and concrete leveling repair, to name just a few. This business current employees 170 people between Washington and Oregon and is moving their Lakewood office to our location in Olympia. RHA and TerraFirma are committed to maintaining a strong presence at the Port and continuing to support economic development in the region.

RHA now desires to amend the terms and conditions of the lease and requested an additional 20 years to their existing lease. The extended terms would begin on February 1, 2046 and end on January 31, 2066. The rent rate and surety requirement is also being adjusted to reflect the then current Commission rate.

In addition, the requirement that the tenant at their expense provide improvements consistent with the City of Tumwater requirements along 78th Street shall be added to the lease. If the Premises does not have the standard frontage improvements such as curbs, sidewalks, and street trees then the Tenant will need to provide how and when they will be developed over the course of the additional term. They shall be completed within the first five years of the first term extension and no later than January 31, 2051.

The rest and remainder of the original lease shall remain in full force and effect.

Summary and Annual Financial Impact:

- Current monthly lease payment: \$2,320.76
 - Annual: \$27,849.12
- Anticipated 2031 monthly payment: \$2,572.51
 - Annual: \$30,870.12
- Anticipated 2036 monthly payment: \$2,862.60
 - Annual: \$34,351.20
- Anticipated 2041 monthly payment: \$3191.05
 - Annual: \$38,292.60
- 2046-2066: Adjusted to then Commission approved rate

Alignment with Vision 2050:

This lease amendment supports multiple Vision 2050 goals by advancing long-term economic development within the Port’s New Market Industrial Campus. Extending the lease term enables the Port to retain and expand a stable business presence, consistent with Vision 2050 goals to grow manufacturing, logistics, and service-sector employment, support small and emerging businesses, and catalyze economic opportunities in partnership with local jurisdictions. The sublease to TerraFirma strengthens regional job creation and aligns with Vision 2050’s emphasis on leveraging Port properties for family-wage employment and sustainable business growth.

The required frontage improvements on 78th Avenue reinforce Vision 2050’s goals around incorporating sustainability and community-benefit considerations in development and ensuring Port properties meet long-term infrastructure expectations.

Environmental Considerations:

The lease premises are located within the Port’s New Market District. Our tenant actively works with the Department of Ecology and the City of Tumwater to follow environmental regulations.

Alternatives Considered

1. Approve RHA Liberty Group, LLC Lease Amendment #6.

Result: The Port retains an existing service provider in our community while generating revenue for the Port’s property that falls under the New Market budget.

2. Do not approve RHA Liberty Group, LLC Lease Amendment #6.

Result: The Port rejects the desire of the Tenant to extend the term they will forfeit additional income and will affect the sublease of the building. This will result in a lost revenue to the Port, the Tenant would need to explore other options to move their operations which would also impact their Tenant's operations.

Staff Recommendation:

Approve lease amendment No. 6 as presented.

Documents Attached:

Copy of Lease Amendment #6