

COVER MEMO

Briefing Date/Time: November 10, 2025

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Subject: DES Fleet Parking Land Lease Approval
(Cleanwater Center / 300 Tumwater Blvd)

Purpose: ☐ Information Only ☒ Decision Needed

Overview:

- Action Item – Approval requested via the Consent Agenda.

This action is required as an administrative requirement per Port policy. This new land lease is for an existing tenant, State of Washington Department of Enterprise Services (DES), who wishes to enter into an additional lease for the storage of government owned vehicles.

Approval of this action item authorizes the Executive Director to execute DES land lease SRL 25-0096.

Background:

DES currently leases a paved and fenced parking lot facility on the west side of the Olympia Regional Airport adjacent to the airport's terminal building. Since March 18, 2016, this space has been used to store DES fleet vehicles. Recently, DES has acquired new vehicles for their fleet and is seeking additional space for their vehicle program.

The Port identified an existing paved parking area at our Cleanwater Center property located at 300 Tumwater Blvd. This space is currently not in use due to future development plans, and City of Tumwater permit requirements. DES understands the Port's long-term plan to improve the site and agreed to the lease term, as presented, to meet their current fleet parking needs. DES is in good standing with the Port for its existing Port leases.



Current Status:

The Port's long-standing arrangement with the state is that the Department of Enterprise Services (DES) generates all lease documents for Port leases. The new lease presented for consideration has an effective date commencing on November 12, 2025 and ending on October 31, 2027 with one option for an additional two-year term. Among other benefits, this lease provides the Port with the ability to capture new revenue and provides support for DES operational needs.

Because the lease term is greater than one year, this exceeds the Executive Director's delegation of authority and triggers administrative action by the Port Commission. Namely, Port Policy 1101 states in part: *"...The Port Commission, in public session, will ratify Port long term leases defined under this policy as leases of greater than one (1) year for land and space leases... Long term leases and assignments will not become final until ratified by the Port Commission..."*

Documents Attached:

1. DES Lease: SRL 25-0096 DES Tumwater Project No. 25-07-212
2. Exhibit A - Leased Space Requirements
3. Exhibit B - The Design Professional's Space Plan (DES Lease Area)
4. Exhibit C - Ratification

Summary & Financial Impact:

- This lease is anticipated to commence on November 12, 2025 and terminates on October 31, 2027.
- Total 2-year airport revenue generated from this new lease: \$48,000.00.

Environmental Considerations

The premises for this lease area is located on a portion of an existing paved parking lot located at 300 Tumwater Blvd. The area will be used for the storing of fleet vehicles; no vehicle maintenance will be conducted on the leased premises. There will be no impacts to permeable surfaces or adjacent habitat because of this lease.

Options with Pros and Cons:

1. Approve DES lease SRL 25-0096 authorizing the Executive Director to execute a lease with the State of Washington Department of Enterprise Services (DES).

Result: The Port will enter a new lease with DES providing needed support for DES operations and new revenue for the Port's Cleanwater Center property.

2. Do not approve DES lease SRL 25-0096 authorizing the Executive Director to execute a lease with the State of Washington Department of Enterprise Services (DES).

Result: The Port will not enter into a new lease with DES. This will result in a lost revenue opportunity and DES will need to explore other options for their fleet needs.

Staff Recommendation:

Approve DES lease SRL 25-0096 authorizing the Executive Director to execute a lease with the State of Washington Department of Enterprise Services (DES).