

COVER MEMO

Briefing Date/Time: July 27, 2026

Staff Contact/Title: Mike Reid, Director of Community and Economic Development 360.528.8071, Miker@portolympia.com

Subject: J/4 Associates Lease Assignment

Purpose: ☐ Information Only ☒ Decision Needed

CONSENT ITEM

Tenant Snapshot:

Lease Name: J/4 Associates - Thurston County Sherrif's Office (TCSO)

Leased Address: 7721 New Market Street NW, Tumwater WA

Lease Type: Land

Lease Effective Date: December 14, 1988

Term:

- Initial term: 1988-2018 (30 Years)
- Extension: 2018-2058 (40 Years)

Use: Evidence storage, vehicle impound, and large vehicle storage for TCSO

Background:

The Port and J/4 Associates amended and restated the lease on March 17, 1994 for the property located within the New Market Industrial Campus. The original lease term ran from December 14, 1988 through December 13, 2018, with a 25-year option. The current term began in December 2018 and extends through December 31, 2058, reflecting a total lease duration of 70 years. J/4 Associates has remained in good standing throughout the lease.

Thurston County has leased the building from J/4 Associates since 2012 and is also in good standing. J/4 Associates now seeks to assign the lease to Thurston County, with the assignment to take effect on the closing date, currently scheduled for August 28, 2026. The reason for the assignment is because Thurston County is wanting to purchase the building that they have been leasing from J/4.

Approval of the assignment does not materially change any terms of the underlying transaction, however because the subtenant is now becoming the primary tenant it will require Commission approval to amend the ground lease to identify Thurston County as our tenant as opposed to J/4 Associates.

Under the amended and restated lease, rent rates are established in the lease with a 10% increase every five years through December 31, 2043. As part of the Port's due diligence process, Thurston County has received an approval letter from the Port's Director of Enterprise Services, Brent Barnes.

Documents Attached:

Exhibit A – Premises

Copy of Lease Assignment

Summary and Annual Financial Impact:

January 1, 2023 – December 31, 2028	\$46,763.04 / Annually
January 1, 2029 – December 31, 2033	\$51,439.32 / Annually
January 1, 2034 – December 31, 2038	\$56,577.36 / Annually
January 1, 2039 – December 31, 2043	\$62,235.00 / Annually

*10% increase every five years.

Vision 2050 Alignment:

The lease assignment supports Vision 2050 goals by ensuring long-term stability of essential public-sector operations within the New Market Industrial Campus. Assigning the lease to Thurston County strengthens the continuity of government services, including evidence storage and vehicle management functions critical to public safety. Maintaining this facility under County ownership aligns with Vision 2050's emphasis on supporting family-wage employment, efficient land use, and strategic partnerships with local jurisdictions. The continued use of Port property for essential public services reinforces Vision 2050 objectives related to sustainable economic activity, coordinated regional services, and stewardship of publicly owned assets.

Alternatives Considered

- Approve the Lease Assignment: J/4 Associates assigns its existing lease to Thurston County, effective at closing on August 28, 2026. Thurston County continues occupancy and assumes all tenant responsibilities under the lease.
- **Do Not Approve the Lease Assignment:** J/4 Associates remains the tenant of record through the remainder of the lease term ending December 31, 2058. This would likely create a challenge for Thurston County as it is there stated desire to proceed with this acquisition of the building.

Affected Parties:

- Port of Olympia
- J/4 Associates

- Thurston County Sherrif's Office.

Staff Recommendation:

Approve the lease assignment as presented on the consent calendar.

EXHIBIT A

LEASE PREMISES

7721 New Market St. SW, Tumwater, WA

(outlined in yellow)

