

COVER MEMO

Briefing Date/Time: August 10, 2026

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

Subject: Tom's Outboard Lease

Purpose: ☐ Information Only ☒ Decision Needed

CONSENT ITEM

Tenant Snapshot:

Lease Name: Tom's Outboard

Leased Address: 221 East Bay Dr NE, Olympia, WA 98501

Lease Type: Land

Lease Effective Date: 1/1/26

Original Term: 3 years + two 1-year options

Use: Dry storage for boats

Employees: 10

Background:

Tom's Outboard has been a tenant of the Port's since June 1989 when they opened their small business on 10,000 sq ft of Port property with a month-to-month lease. In 2010 they doubled their footprint to increase to 20,564 sq feet of land and entered into a new month-to-month lease with a 30-day termination - the agreement they have been on since that time. This existing lease is still active and viable.

After discussions with staff regarding long-term stability and predictable annual adjustments, the tenant agreed to transition from month-to-month tenancy to a formal multi-year lease structure. This new lease is for three years with two one-year extensions. The lease does not change any contemplated use of the property as the tenant will continue to use the property to store the boats that are being serviced by the business.

The land lease is located in the East Bay Development at 221 East Bay Dr NE, Olympia, WA. Tom's Outboard has and remains in good standing throughout the term of their lease.

Summary and Annual Financial Impact:

- Current monthly lease payment: \$3,157.55
 - Annual: \$37,890.60
- Anticipated 2026 monthly payment: \$3,252.28
 - Annual: \$39,039.36
- 2027-2028: 3% increase over the current rate

Alignment with Vision 2050:

The lease with Tom's Outboard supports several Vision 2050 priorities across the Port's marine, economic development, and sustainability focus areas. By maintaining a long-standing small marine service business in the East Bay District, the lease advances Vision 2050's goals to strengthen Swantown Marina and Boatworks as a premier boating destination, enhance regional boat-based spending, and preserve the working waterfront. The business directly contributes to the local maritime economy by supporting recreational vessels and commercial shellfish fleets, aligning with actions that promote small business development, expand regional recreation and tourism, and grow marine-related economic activity.

Tom's Outboard's emphasis on modern, cleaner outboard motors supports Vision 2050 environmental goals related to water quality and sustainable marine operations. Additionally, keeping an active marine-service tenant in the East Bay District reinforces Vision 2050's commitments to partnership-building, community engagement, and maintaining vibrant and accessible waterfront assets. Collectively, the lease strengthens economic vitality, waterfront functionality, and environmental stewardship consistent with multiple Vision 2050 goals and action items.

Environmental Considerations:

Tom's Outboard contributes positively to environmentally responsible marine operations through its emphasis on upgrading and maintaining modern, fuel-efficient outboard motors. The tenant actively works to phase out older, higher-polluting engines in favor of cleaner and more efficient models better suited to protecting water quality in Puget Sound and area lakes. Their services support both recreational boaters and commercial marine fleets in operating engines that reduce emissions and minimize environmental impact. The business also maintains compliance with established environmental regulations and collaborates with relevant agencies as needed to ensure safe handling of marine fuels, oils, and maintenance byproducts.

Alternatives Considered

1. Approve Tom's Outboard Lease.

Result: The tenant transitions to a secure multi-year term with predictable annual escalation.

2. Do not approve Tom's Outboard Lease.

Result: The tenant remains on a month-to-month lease with 30-day termination and variable CPI-based increases.

Staff Recommendation:

Approve Lease as presented.

Documents Attached:

Copy of Lease Agreement.

Location of leased premise:

