

COVER MEMO

Briefing Date/Time: August 10, 2026
Staff Contact/Title: Warren Hendrickson, Director of Operations/Acting Airport Senior Manager, 360.528.8074, warrenh@portolympia.com
Subject: Craig Properties Lease Amendment No. 6
Purpose: ☐ Information Only ☒ Decision Needed

Type of Agenda Item:

- Consent Calendar

Background:

Tenant Steve Craig (dba Craig Properties) had previously developed a private airport in Chehalis. His current hangar at Olympia Regional Airport is a privately-owned hangar on a Port land lease, used for the housing of multiple general aviation aircraft.

This land lease parcel is located west of the airport's main north-south runway at 945 Malin Lane, Tumwater, WA. The current 30-year lease term commenced on April 15, 2008 and extends through April 14, 2038 with one 20-year extension option available. Craig Properties has and remains in good standing per the terms of the lease.

This amendment memorializes the rent calculation method for the second fifteen (15) years of the initial term.

Terms, Summary, and Financial Impact:

- Effective date: July 1, 2026-June 30, 2027
- Monthly payment: \$875.81 plus LET
 - Annual revenue: \$10,509.72 plus LET
- Future annual adjustments: 2027-2038
- Annual adjustment rate: 3%
- 2038 option terms, if elected:
 - Land lease rate adjusted to the then Commission-approved rate.
 - At least 3% increase over then current rate.
 - Additional 10% escalation every 5 years thereafter.

Alignment with Vision 2050:

This lease aligns with the following Vision 2050 Focus Areas:

Focus Area: Airport Functions

- Goal: Maximize the economic and community value of the Olympia Regional Airport in accordance with FAA Master Plan regulations.
- Action item #30: Research strategies used by other airports of similar size to determine best practices and opportunities.

Environmental Considerations and Review:

The lease premises are located within the Port's Airport District. This tenant actively complies with Department of Ecology and City of Tumwater environmental regulations.

Alternatives Considered

1. Approve Craig Properties Lease Amendment #6.
 - a. Result: The Port and Lessee, an existing business owner in our community, maintain compliance with lease terms, the lease rent schedule is satisfactorily memorialized for both parties, and the Port receives a known increase in annual rent revenue as defined in this lease amendment.
2. Do not approve Craig Properties Lease Amendment #6.
 - a. Result: The Port rejects an identified need to memorialize the annual rent schedule rate adjustment, resulting in a loss of current and future revenue.

Staff Recommendation:

Approve as presented.

Document Attached:

Craig Properties Lease Amendment #6.