COVER MEMO

Briefing Date/Time: August 10, 2026

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

Subject: BT-OH LLC (UPS) Lease Amendment #5

Purpose: ☐ Information Only ☒ Decision Needed

CONSENT ITEM

Tenant Snapshot:
Lease Name: BT-OH LLC (UPS)
Leased Address: 7383 New Market Street, Tumwater WA 98501
Lease Type: Land 3.43 Acres
Lease Effective Date: April 21, 1972
Term: January 1, 2007 – May 31, 2017 + Two 10-Year Options
Lease Expires: May 31, 2037
Use: The site was developed in 1972 and is utilized by the UPS for distribution and delivering packages to the regional community.

Background:
The Port and BT-OH LLC amended and restated the ground lease on April 23, 2007 for the New Market Industrial Campus site. The original lease term ran from June 1, 1972 through May 31, 1992 with four 5-year options. The current lease term runs from January 1, 2007 through May 31, 2037. BT-OH LLC has remained in good standing throughout the lease.

The tenant is now requesting Amendment No. 5, which adds two additional 10-year options, extending the potential lease duration to May 31, 2057. Under Amendment No. 3, rent is subject to a 10% increase every five years through the remainder of the term.

Documents Attached:
Exhibit A – Lease Premises
Copy of Lease Amendment #5

Summary and Annual Financial Impact:

Current lease terms:

- Currently: $75,139.20 annually
- June 1, 2027 – May 31, 2031: $82,653.12 annually
- June 1, 2031 – May 31, 2037: $90,918.43 annually

  10% increase every five years.

Proposed extension:

- Future rent increases will be at the then Commission approved rate or a 10% increase every five years, whichever is greater.

Vision 2050 Alignment:

The lease amendment supports Vision 2050 objectives by maintaining stable industrial and commercial activity at the New Market Industrial Campus. By extending UPS's long-term presence, the amendment reinforces continued employment within a key logistics facility, supports efficient use of Port-controlled industrial lands, and contributes to regional goods-movement infrastructure. These outcomes are consistent with Vision 2050 goals for sustainable economic development and long-term utilization of strategic commercial properties.

Affected Parties:

Port of Olympia and BT-OH (UPS).

Alternatives Considered

- **Approve Lease Amendment No. 5:** Two additional 10-year options are added, extending the lease to May 31, 2057. Rent adjustments and increases remain as established under prior amendments. The tenant continues operations under updated lease terms.

- **Do Not Approve Lease Amendment No. 5:** The lease retains its current expiration date of May 31, 2037. No additional options are added, and existing rent escalation terms continue per lease.

Staff Recommendation:

Approve Lease Amendment #5 as presented on the consent calendar.

EXHIBIT A

LEASE PREMISES

7383 New Market St. SW, Tumwater, WA

3.43 Acres (outlined in red)