



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8d

ACTION ITEM

Date of Meeting

November 18, 2025

DATE: October 20, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Blaine Burk, Aviation Real Estate Portfolio Manager III
Jason Johnson, Assistant Director Airline Affairs & Aviation Properties

SUBJECT: STOC AARP Lease Amendment

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Lease Amendment with AARP at SeaTac Office Center (STOC) to remove 2,195 square feet of office space from their leased premises.

EXECUTIVE SUMMARY

AARP has been a tenant at STOC since 2016 and currently leases 9,034 sf of office space located on a portion of the 3rd and 11th floors of the South Tower. Due to underutilization of space, AARP has requested to relinquish the portion of their leased premises on the 3rd floor, totaling 2,195 square feet. AARP's lease for the 3rd floor space is currently set to expire on February 28, 2030. Following negotiations, the Port has tentatively agreed to remove the space from their leased premises and AARP will pay the Port a fee of \$149,792.41 to vacate the space early. The termination will be effective as of December 31, 2025. The Port has already received interest from prospective tenants for the vacated space, with potential new occupancy expected as early as Q2 2026, minimizing downtime.

JUSTIFICATION

The 2,195 square feet the Port would be allowing AARP to vacate early is in desirable condition and size, making it attractive to prospective tenants. Although the space is currently unused by AARP, several businesses related to airport operations have already expressed interest. The Port anticipates re-leasing the space as early as Q2 of 2026. Financially, the early termination is protective of the Port. The termination fee constitutes approximately 22 months of AARP's base rent and operating expenses associated with the relinquished space through the remaining term of the Lease, and through active marketing of the space and a strong chance to attract a replacement tenant for the space within the next several months, the Port has appropriately protected its financial interests and stands to benefit from the opportunity to bring in a new, active tenant to the STOC property. As part of the termination, AARP will remove all furniture,

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fixtures, and equipment (FF&E) in accordance with the terms of its current lease. The Lease Amendment will be executed using forms approved by Port Legal.

LEASE AMENDMENT/TERMINATION DETAILS

STOC AARP Lease Amendment	
Tenant Name	AARP
Space being removed from Lease	2,195 SF (Suite 315)
Removal Date	December 31, 2025
Fee	\$149,792.41
Fee Due Date	30 days' following removal date
FF&E	AARP will remove all furniture, fixtures and equipment in accordance with the terms of its current lease

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not remove the 2,195 SF from AARP's lease

Cost Implications: Continue to collect rent/operating expenses from AARP through 2/28/2030

Pros:

- (1) The Port would receive assured payments for rent and operating expenses throughout the duration of the lease.
- (2) The Port would avoid any transactional costs to re-lease the space.

Cons:

- (1) The space would be underutilized by AARP, resulting in inefficient use of the property
- (2) The Port would forgo the opportunity to lease the space to an airport-related tenant

This is not the recommended alternative.

Alternative 2 – Remove the 2,195 SF from AARP's lease

Cost Implications: Collect termination fee of \$149,792.41 and re-lease the space to another tenant

Pros:

- (1) The Port regains control of the space earlier (by end of 2025), giving flexibility to strategically place tenants that align with Port priorities. The Port expects to re-lease the space as early as Q2 2026.

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- (2) The Port would collect a substantial fee for early termination of the space. This provides immediate financial benefit, even before a new tenant is secured.
- (3) The lease termination avoids 5 more years of inefficient use of the space.

Cons:

- (1) The Port risks the space remaining vacant until a new tenant is found.
- (2) The Port may incur extra costs, such as broker commissions, to lease the space again.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

As part of this agreement, the Port will collect a termination fee of \$149,792.41. The Port expects that any future tenant occupying the vacated space will accept it in its current condition (As-Is), with no Tenant Improvement allowance provided. The Port anticipates incurring a broker commission of approximately \$15,000 to \$25,000 to secure a new lease for the space.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 22, 2024 – The Commission authorized the acquisition of STOC and the assumption of all STOC leases.