



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** February 24, 2026

**DATE :** January 5, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Brad Erger, Manager, Aviation Business and Property Assets  
Jason Johnson, Assistant Director Airline Affairs & Aviation Properties

**SUBJECT: STOC ALPA Term Lease**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a Third Amendment to Lease Agreement with Air Line Pilots Association (ALPA) at SeaTac Office Center (STOC) to lease an additional 2,195 square feet of office space for a term of 99 months.

**EXECUTIVE SUMMARY**

ALPA has been a tenant at STOC since 2012, where they currently occupy 11,772 square feet on the third floor of the South Tower (Suites 300 and 325). The Port has tentatively agreed to a lease amendment to add 2,195 square feet of space in Suite 315 on the third floor for a term of 99 months, which is coterminous with the rest of their space under lease.

**JUSTIFICATION**

Suite 315 was recently vacated by another tenant (AARP) and is directly adjacent to existing ALPA leased space. ALPA would be taking Suite 315 as-is and will be responsible for any tenant improvements deemed necessary to the space, coming at no cost to the Port. Upon lease termination, all improvements will remain with the Port, enhancing the long-term value of the space. The lease begins at a base rent of \$23.34 per square foot annually plus operating expenses, with annual increases tied to CPI. Over the 99-month term, the inclusion of this expansion space is projected to add a minimum of \$422,000 in rent revenue to ALPA's lease. The lease amendment will be executed using form approved by Port Legal.

**LEASE DETAILS**

Effective Date	Estimated to be March 1, 2026
Rental Rate Adjustments	Monthly Base Rent will increase annually based on CPI.
Permitted Use	ALPA shall use the Premises for general office use.
Security Requirement	6 months' base rent

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### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

#### **Alternative 1 – Do not lease Suite 315 to ALPA**

Cost Implications: Risk losing \$422,000 of rental revenue over the term

Pros:

- (1) Suite 315 would remain available for other potential tenants
- (2) Avoids immediate broker commission costs

Cons:

- (1) Leaving Suite 315 vacant could result in prolonged downtime before securing another tenant, leading to lost revenue and ongoing operating expenses for the unoccupied space.

This is not the recommended alternative.

#### **Alternative 2 – Enter into amendment with ALPA to add Suite 315 to their lease**

Cost Implications: Minimum of \$422,000 of rent revenue over the lease term.

Pros:

- (1) The Port would be allowing an existing STOC tenant to expand under beneficial financial terms
- (2) Immediate occupancy by ALPA eliminates downtime and carrying costs for the vacant suite

Cons:

- (1) Suite 315 would be unavailable for other potential tenants

*This is the recommended alternative.*

### **FINANCIAL IMPLICATIONS**

The proposed lease amendment is expected to generate at least \$422,000 in rental revenue over the 99-month term. The Port will incur a broker commission of \$22,140.75 as part of this transaction.

When factoring in the leasing commission, base rental rates, and annual CPI-based increases, the overall financial outlook of this lease remains positive for the Port, offering long-term value through non-aeronautical revenue.

### **ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

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**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

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