

Trammell Crow industrial project nears completion at Seattle port

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Trammell Crow Co. announced in mid-March that it is homing in on completion of the 700,000-square-foot Seattle Metro Logistics development at 44 S. Nevada St.

Tim Rice

By [Marc Stiles](#) – Senior Reporter, Puget Sound Business Journal
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Seattle is getting another multistory industrial building, and at just over 700,000 square feet it will be the largest such facility within 15 miles of downtown, according to project developer Trammell Crow Co.

The redevelopment of the Port of Seattle's Terminal 106 will net a two-story industrial facility called Seattle Metro Logistics at 44 S. Nevada St. The warehouse, which topped out this week, is in the close-in submarket where the average age of buildings is 55 years, said

leasing broker Andrew Stark, who's marketing the space with CBRE colleague Andrew Hitchcock.

Scheduled to open in August, the project can be used for a range of industrial uses, from last-mile and regional distribution to storage, maritime and manufacturing uses. The project will also include a 701-stall parking garage.

A TCC representative said Wednesday that no letters of intent have been signed, and asking rates were not available.

It's not an optimal time to open such a big project as the region's market is in "a cooling off period, after unprecedented market growth over the last three years," CBRE's year-end market report said.

CBRE reported the close-in market saw minimal rent growth of 7% last quarter when the vacancy rate rose 30 basis points to 8.2%.

TCC declined to say how much the development will cost. Bank OZK is the construction lender. An assignment of rents document recorded in July lists the principal amount of \$105 million.

Other project partners include architect of record Nelson Worldwide and general contractor Lease Crutcher Lewis.

TCC signed a ground lease with the port for the 15-acre site in May 2021. Public documents show the initial term is 50 years with three 10-year extension options.

Base rent started at 38 cents a square foot foot, or \$249,450 a year. Eighteen months into the lease, rent rose to \$4.80 per foot or \$3.15 million a year.

Base rent will increase 12% throughout the term, beginning in the sixth year and then every five years thereafter.

Despite how land-constrained the region is, multistory warehouses are still rare here. Until now the most prominent example is the three-story, 590,000-square-foot Georgetown Crossroads at 6050 E. Marginal Way S., where Amazon and Home Depot lease space.