



PRESS RELEASE

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Port of Olympia and Catellus Sign Lease Option for Development of Tumwater Property

The Port of Olympia and Catellus Commercial Development Corporation have signed a lease option for development of 126 acres of vacant industrial and commercial property in the Port's NewMarket Industrial Campus in Tumwater, Washington.

The option agreement is for an initial term of 28 months with a provision for extensions if minimum leasing requirements are met. A phased schedule has been established for exercising the option with a minimum of 32 acres of industrial property and seven acres of commercial property to be leased within the 28-month period. Once leases are in effect, the initial term will be 40 years.

This will be the first entry for Catellus, a Real Estate Investment Trust (REIT), into the Puget Sound market. The company currently develops and owns more than 40 million square feet of predominantly industrial space throughout the Western and Midwestern United States. In the Pacific Northwest, the company has developed the 225-acre South Shore Corporate Park in Portland. On Port property, Catellus plans to develop a carefully master planned business park focused on distribution operations.

"We are very pleased on reaching this agreement with the Port and partnering with them on developing their vacant parcels, and we are proud of the business parks we have developed across the United States," said Tim Sharman, Catellus Director. "Each phase of development and construction at NewMarket will incorporate the highest standard of excellence, making the park a premier location for distribution operations."

The Port has been working with Catellus on possible plans for the property since early in the year. The development is consistent with both the Port's and the City of Tumwater's comprehensive plans. The Port does not sell its properties but instead negotiates long-term land leases.

"This is an opportunity to bring a major development to Tumwater, and we are excited that Catellus is interested in developing this property," said Port Commissioner Steve Pottle. "The development will have a significant, long-term positive economic benefits for Thurston County, including bringing new family-wage jobs to our community."

The first 120 days of the option will be a due diligence period for the Port and Catellus to do master planning and more extensive market research.

“Catellus looks forward to forging a strong working relationship with the Port and the City of Tumwater to ensure a smooth pre-development and construction process,” said Sharman.

In June of this year, Catellus merged with ProLogis, a leading global provider of distribution facilities and services. The combination of these companies will offer the world’s largest network of distribution facilities and services, with over 310 million square feet in over 2,000 facilities owned, managed and under development in 75 markets worldwide.

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