

COMMISSION AGENDA

Item No: 4D

Meeting: 12/21/17

DATE: December 7, 2017

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer
Sponsor: Tong Zhu, Chief Commercial Officer & Chief Strategy Officer
Project Manager: Scott Francis, Director of Real Estate, Port of Tacoma

SUBJECT: Purchase property located at 2306 E. 11th Street

A. ACTION REQUESTED

Authorization for the Chief Executive Officer or his designee to complete the execution of the Purchase and Sale Agreement dated September 20, 2017 with Fastco, Inc. (Seller) for the property located at 2306 East 11th Street, Tacoma, WA also known as Pierce County tax parcel 2275200720. This entails authorizing the Chief Executive Officer or his designee to execute all additional documents and take any and all additional actions necessary or required in connection with the completion of the purchase.

B. BACKGROUND

- On September 20, 2017, the Port executed a Purchase and Sales Agreement for the purchase of the property located at 2306 East 11th Street, Tacoma, WA.
- The appraised valuation is \$400,000.
- The acquisition of this property meets the Port's strategic plan to acquire property along 11th Street.

C. PROPERTY DESCRIPTION

- The property is approximately 15,000 square feet (.34 acres).
- The property is improved with a warehouse building containing a rentable area of 4,876 square feet.
- Zoning is Port Marine Industrial.

D. PURCHASE TERMS / FINANCIAL SUMMARY

- Purchase Price: \$400,000.
- Earnest Money: \$25,000 (held by Chicago Title).
- Broker Commission: No commission obligation by either Seller or Buyer.
- Closing Costs: Normal closing costs with Buyer responsible for recording fees, one-half of escrow fees, and prorated taxes and utilities.
- Feasibility Period: 90 days from mutual acceptance.
- Closing Date: Within 15 days of feasibility contingency waiver.

E. FUTURE USE/BENEFIT TO PORT

- This property is located in the Port's Strategic Area.
- The property is ideally located to support future terminal expansion opportunities and provides support for the Port's core container business.
- This property is adjacent to other Port owned properties and therefore creates greater future opportunities and efficiencies provided by large contiguous properties.

F. ENVIRONMENTAL IMPACTS / REVIEW

The Port's Environmental Department has inspected the property and reviewed the Phase I and Phase II environmental reports. They are satisfied with the results of these reports which indicate no environmental cleanup requirements. Therefore, staff recommends moving forward with the purchase of this strategic property.

G. ECONOMIC INVESTMENT / JOB CREATION

- No short-term improvements or investments are anticipated.
- This property will support future terminal development plans that support future job growth.

H. NEXT STEPS

Upon Commission approval, the Chief Executive Officer or his designee will execute any and all documents and take any and all additional actions necessary or required in connection with the completion of the purchase.

cc: Tong Zhu