

COMMISSION AGENDA

Item No: 7C

Meeting: 11/18/21

DATE: October 12, 2021

TO: Port Commission

FROM: Eric Johnson, Executive Director Sponsor: Eric Johnson, Executive Director
Project Manager: Scott Francis, Director, Real Estate

SUBJECT: Purchase a portion of the property located at 3944 Gay Road East, Tacoma, WA

A. ACTION REQUESTED

Request Commission approval of the Purchase and Sale Agreement dated September 27th, 2021, with Cathy Terricone and Aldo Terricone (Seller) to purchase approximately a one-acre portion of the property located at 3944 Gay Road East, Tacoma, Washington also known as Pierce County tax parcel 0320132006, and authorize the Executive Director or his designee to execute any and all additional documents and take any and all additional actions necessary or required in connection with the completion of the purchase.

B. BACKGROUND

- This property is adjacent to the Port's existing Upper Clear Creek Mitigation Bank and a future mitigation site at Port Parcel 129 (10 acres). Through a future amendment to the Mitigation Bank the existing buffer can be relocated to generate additional mitigation credits at the Mitigation Bank. In addition, this property will strengthen expansion opportunities to develop wetland and fish habitat (and corresponding mitigation credits) at Port Parcel 129 by increasing the amount of creditable acreage at the new mitigation site.
- The acquisition of this property supports the following:
 - The foundational goals of Port of Tacoma's 2021-2026 Strategic Plan, Environmental Leadership - EL-4: "Create wetland opportunities and improve fish habitat independent of regulatory obligation."
 - The 2014 Port-Wide Habitat Mitigation Strategy (Resolution 2014-02).
- The Port completed a Phase One Environmental Report on this property, and no environmental concerns were identified.

C. PROPERTY DESCRIPTION

The property is approximately one-acre of undeveloped land adjacent to the Port's fish habitat and wetland mitigation project. Thus, it provides immediate benefit to the fish habitat project by preserving the area as undeveloped open-space/buffer until the Port restores the area through a new mitigation project.

D. PURCHASE TERMS

- Purchase Price: \$90,000
- Earnest Money: \$4,500

- Broker Commission: N/A
- Buyer is responsible for all necessary survey and boundary line adjustment costs.
- Closing Costs: Normal closing costs with seller paying for standard title policy and each party paying half of escrow fees.
- Feasibility Period: 90-days with up to three additional 30-day extension periods if needed.
- Closing Date: Within 15-days of waiver of feasibility contingency.

E. FUTURE USE/BENEFIT TO PORT

- Acquiring this property will allow the Port to relocate the Port's adjacent Mitigation Bank buffer through a future Mitigation Bank amendment thereby increasing the bank's value by generating and releasing more bank credits.
- This one-acre property may be used to develop additional mitigation area and mitigation credits through a new mitigation project with Port Parcel 129 (10 acres).
- This property will improve the Port's mitigation site operations and development in several ways including the following:
 - Lower mitigation costs by utilizing more favorable mitigation ratios if the new mitigation project is conducted as advance mitigation or a mitigation bank project
 - Lower mitigation costs as this property does not have any infrastructure encumbrances (no demolition costs)
 - Increase the value of work already completed (releases more Mitigation Bank credits)
 - Support a larger more cost-effective mitigation site (more creditable habitat area vs. buffer area)

F. ENVIRONMENTAL IMPACTS / REVIEW

As part of the Port's mitigation strategy, this property will improve fish, wetland, and floodplain habitat and ecosystems. No negative environmental impacts associated with this land purchase have been identified.

G. ECONOMIC INVESTMENT / JOB CREATION

Mitigation credits will be used to support Port projects, or for Mitigation Bank credits, and possibly sold to support future local economic development projects and/or transportation improvements.

H. NEXT STEPS

Upon Commission approval, the Executive Director 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 this purchase. Any new habitat improvements will require separate Commission approval(s).

cc: Jason Jordan, Director, Port Environmental Department