

# COMMISSION AGENDA

Item: 4C  
Date: 5/19/22

**DATE:** May 3, 2022

**TO:** Port Commission

**FROM:** Eric Johnson, Executive Officer  
Sponsor: Scott Francis, Director of Real Estate, Port of Tacoma

**SUBJECT:** Partial Release of the Port's Right of First Refusal and Restriction on Partial Sales for a portion of the IKEA Property, Frederiksen

## A. ACTION REQUESTED

Request Commission approval for the Executive Director or his delegate to execute a partial release of the Port's Right of First Refusal ("ROFR") and Restriction on Partial Sales ("Partial Sales Restriction") to purchase a portion of the IKEA property ("Property") located in Frederiksen, Pierce County Washington (approximately 7,135 SF in two triangular parcels located at 196th Street in Pierce County, WA) (cumulative of the two triangle properties: "Triangle Property").

## B. BACKGROUND

- The IKEA Property consisting of approximately 63 acres is located at the intersection of 38th Avenue East and 200th Street East in Frederickson, Pierce County Washington (4604 196TH ST E).
- The Port sold the Property to IKEA Property, Inc., in 2007
- IKEA Property Inc has entered into a Letter of Intent with LPC Tacoma South, LP dated April 19, 2022 to sell a portion of the Property.
- LPC purchased the adjacent property from the Port in December 2019. LPC is finishing the construction of a new 352,930 square foot warehouse on the adjacent property. This small Triangle Property is needed for the new warehouse driveway.
- IKEA Property Inc. requests the Port of Tacoma to release its Right of First Refusal and the Partial Sales Restriction with respect to that Triangle Property only.
- The Triangle Property is described as approximately 7,135 SF in two triangular parcels located at 196th Street in Pierce County, WA.
- The Port has no use or need for this Triangle Property.
- The requested Partial Release of the Right of First Refusal and the Partial Sales Restriction shall be void if the contemplated sale does not occur.

## C. SCOPE OF WORK

The Port will execute a Partial Release of the Port's Right of First Refusal and the Partial Sales Restriction.

## D. TIMEFRAME

The sale of this Triangle Property is scheduled to be completed in the near future.

**E. FINANCIAL SUMMARY**

There is no financial impact to the Port.

**F. ECONOMIC INVESTMENT / JOB CREATION**

The approval of this request supports the construction of the new LPC warehouse which is Leased to Harmon Logistics as their new corporate headquarters. Initially, 150 employees are expected to work at this facility. Within five-years, this number is expected to increase to 210-250 employees.

**G. ENVIRONMENTAL IMPACTS / REVIEW**

There is no known environmental impact.

**H. NEXT STEPS**

Upon Commission approval, the Executive Director or his delegate will execute the Partial Release of the Port's Right of First Refusal and Restriction on Partial Sales to facilitate the intended sale of the Triangle Property pursuant to the Letter of Intent between IKEA Property Inc. with LPC Tacoma South, LP dated April 19, 2022.