

Item: 6D

Date: 11/21/2023

Acquisition of Real Estate

426 E. 11th Street, Tacoma

Gloria Fletcher

Sr. Manager, Real Estate

Port of Tacoma Commission Meeting

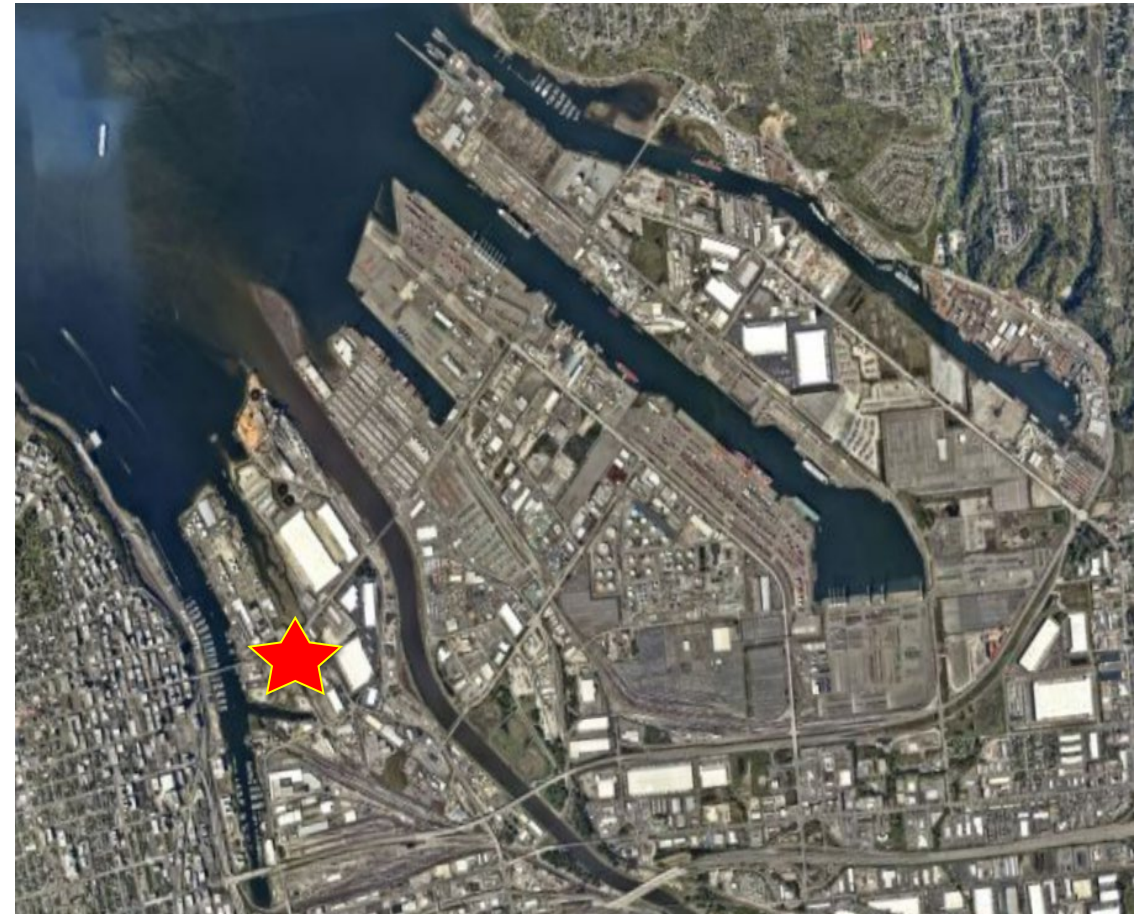
Date: November 21, 2023



Authorization for the Executive Director or his designees to:

1. Remove the feasibility contingency and execute documents required to complete the purpose of property located at 426 E. 11th Street, Tacoma, consisting of approximately .94 acres from 426 11th Street, LLC for \$1,210,000, and subject to the additional terms and conditions of the Purchase and Sale Agreement (as amended).
2. Accept assignment of the existing lease on the Property.

Background - Property Location



Background - Property Description

- 426 E. 11th Street
- .94 Acre / 2 Parcels
- Fenced Yard
- Adjacent to Port Property
- Currently Leased thru 6/30/2026
 - 6,451.91 per month
 - 3% Annual Rent Increases
 - Tenant responsible for operating costs
- Zoned M2 – Heavy Industrial



Background - Transaction Terms

- Purchase Price: \$1,210,000
- Contingencies
 - Appraisal: Completed, \$1,410,000
 - Environmental: Phase 2 complete - contamination confirmed.
 - Title: No issues
 - Feasibility: Ends November 30, 2023, subject to commission approval
- Expected Close Date – December 31, 2023

- Based on the results of the Phase 2 Environmental Report, the property will likely need some remediation. Therefore, the following items will be completed prior to closing:
 - Assignment and release of all leases and insurance policies related to this property.
 - Hold Harmless agreement to the seller for any environmental responsibility.

- Preliminary feasibility analysis for the Maritime Center estimates significant street improvement costs if we do not acquire this property prior to development.
- This site is well positioned for future remedial action grants through the Department of Ecology and/or the EPA.
- Total acquisition costs are estimated to be approximately \$1,260,000.



Thank You

Questions & Discussion



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