



Property Acquisition:  
2302 Ross Way, Tacoma, WA

Presenter:

Scott Francis  
Director of Real Estate  
Port of Tacoma

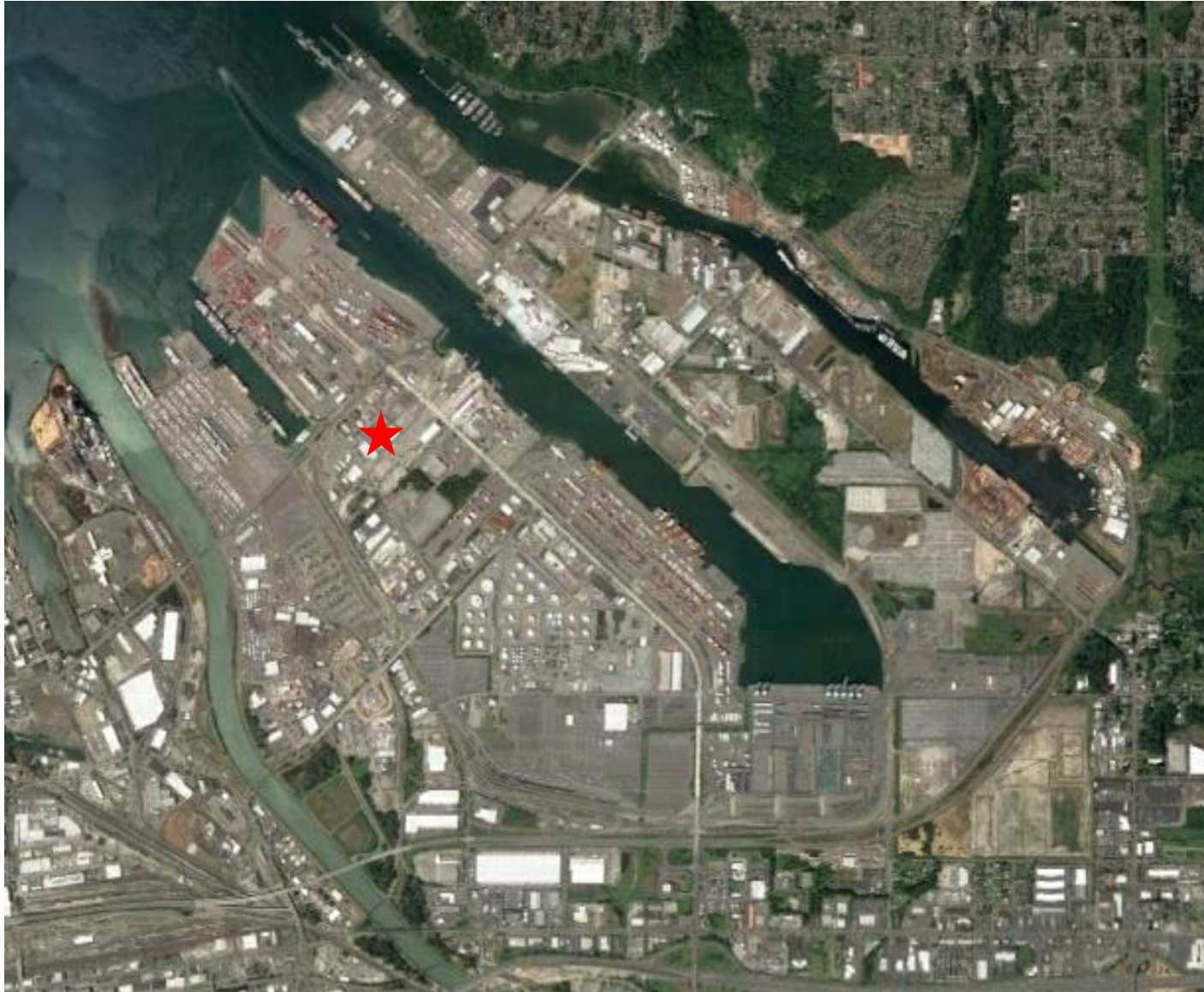


# Action Requested



Authorization for the Chief Executive Officer or his designee to execute all documents and take all actions necessary to complete the purchase of the property located at 2302 Ross Way, Tacoma, WA (Pierce County tax parcel 6965000260) under the terms of the Purchase and Sale Agreement dated August 11, 2017 with American Roll-on Roll-off Carrier Group Inc. (Seller).

# 2302 Ross Way





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# Background



- The property became available for sale in the spring of 2017.
- This property is included in the Port of Tacoma’s “Strategic Area.”
- The Port of Tacoma entered into a Purchase and Sale agreement on August 11, 2017 subject to Port Commission approval, appraised valuation and satisfactory environmental review.
- The appraised valuation is \$4,600,000.
- Phase I and Phase II environmental reports found no contamination. Port Environmental staff were satisfied with the reports and found no other environmental concerns.
- The property is currently leased on a month to month lease.

# Property Description



- The property is 4 acres.
- Building improvements includes one 50,750 square foot warehouse (including 2,240 square feet of office) and a 4,500 square foot equipment storage shed.
- The property perimeter is fully fenced.
- The property is paved with asphalt.
- Zoning is Port Marine Industrial.
- This property is contiguous to other Port owned properties along Ross Way.

# Purchase Terms/Financial Summary



- Purchase Price: \$4,600,000
- Earnest Money: \$100,000
- Due Diligence period is through November 14, 2017.
- Closing Fees: Normal closing costs with Buyer responsible for recording fees, extended Title Policy coverage, one-half of escrow fees, and prorated taxes and utilities.
- Closing is no later than November 29, 2017.
- Seller Indemnification: Seller is selling property in “As Is” condition without any warranties.
- The property is currently leased on a month to month lease.
  - Current rents are \$240,000 per year.
  - Staff is in discussion to extend the lease at market rate.

# 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 provide 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.
- The highest and best use of this property is the continued use as a warehouse facility until this property is needed for terminal expansion.



# Economic Investment/Job Creation



- No short-term improvements or investments are anticipated.
- Job retention – Port staff are working with the current tenant to extend the current lease.
  - Currently 10+ people work at this facility.
  - About 300-400 containers move through this facility per month.

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