

Item: 6E

Date: 12/19/23

Acquisition of Real Estate

2221 Ross Way, Tacoma

Debbie Shepack

Director, Real Estate

Port of Tacoma Commission Meeting

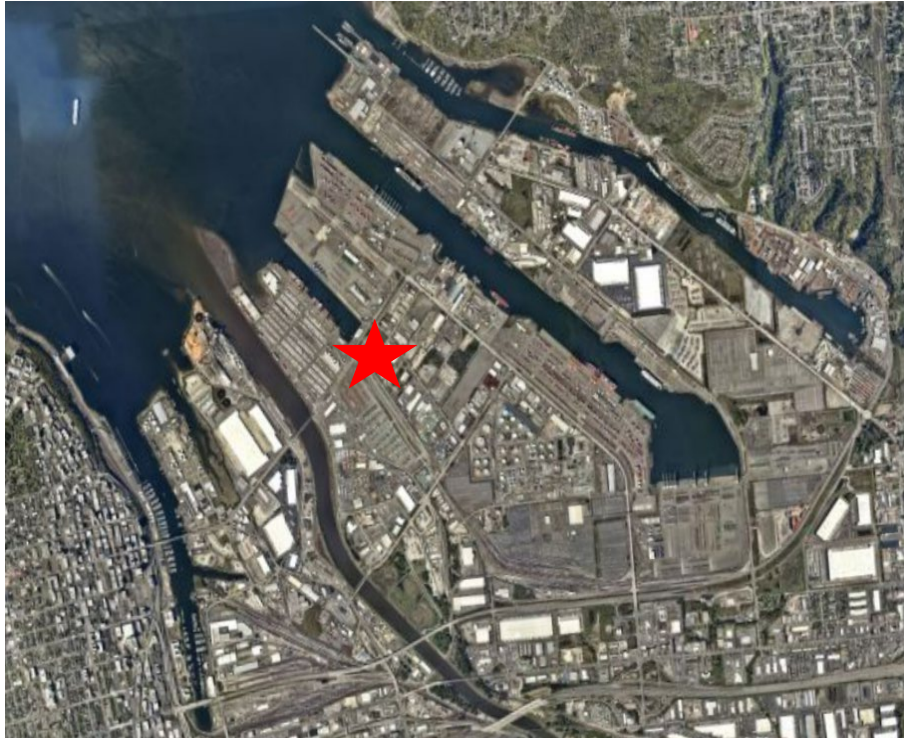
Date: December 19, 2023



Authorization for the Executive Director or his designee to:

1. Execute instruments necessary to complete the purchase of property located at 2221 Ross Way, Tacoma, consisting of approximately .50 acre and an 8,892 square foot building from Garion, LLC for \$1,924,995, subject to the terms and conditions of the Purchase and Sale Agreement.
2. Accept assignment of the existing lease on the Property.

Background - Property Location



-  Privately Owned
-  Port Owned

Background - Property Description

- 2221 Ross Way
- 21,920 SF Parcel (.50 Acre)
- Improvements:
 - Approximately 8,892 SF Building:
 - 1,692 SF Office Space
 - 4,200 SF Lab area
 - 3,000 SF Warehouse
- Current Lease:
 - Entire building
 - Term: through 5/31/2025
 - Rent: \$8,532.96 + \$4,000 NNN
 - Annual Increases: 2%
 - Tenant is in compliance with lease
- Zoned Port Maritime Industrial



Background - Transaction Terms

- Sales Price \$1,924,995
- PSA Contingencies on
 - Appraisal: Completed, \$2,000,000
 - Environmental: Completed Phase 1 and 2
 - Phase 2 confirmed the presence of contamination in soil and groundwater
 - Title: No Issues
 - Feasibility Period: Ends 12/22/2023, subject to commission approval
- Estimated Close 12/31/2023



- This site is strategically located near Terminal 7 and Husky Terminal operations.
- The property is currently fully leased and can provide a revenue stream until future redevelopment by the Port.
- The site, when assembled with adjacent port-owned properties, allows for an approximately 5.5 acres development site.
- Total acquisition costs are estimated to be approximately \$1,975,000.



Thank You

Questions & Discussion



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