

COMMISSION AGENDA

Item No: 4D

Meeting: 09/21/17

DATE: September 6, 2017

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer

Sponsor: Tong Zhu, Chief Commercial Officer & Chief Strategy Officer

Project Manager: Scott Francis, Director of Real Estate, Port of Tacoma

SUBJECT: Boundary Line Adjustments for Parcel 14 – 5200 12th Street East

A. ACTION REQUESTED

Authorization for the Chief Executive Officer or his designee to approve and execute boundary line adjustments for parcels located on the Port of Tacoma Parcel 14 – 5200 12th Street East.

B. BACKGROUND

- The Port of Tacoma entered into a lease agreement with Prologis dated November 20, 2015 for a 50-year term with one 25-year extension. The lease premises includes 83.53 acres on the Port's Parcel 14 located at 5200 12th Street East, Tacoma, WA.
- Parcel 14 includes a total of approximately 116.74 acres on multiple tax parcels.
- Prologis is currently in the process of building three large warehouse facilities totaling about 1,312,926 square feet on the leased premises.
- The City of Tacoma prohibits buildings and structures from being built across parcel lines.
- Prologis requests the Port adjust the boundary lines of the tax parcels in Parcel 14 to meet the City of Tacoma's building permit requirements and conform to the Prologis development.

C. SCOPE OF WORK

The scope of work will include:

- The Port will submit a "Request for Boundary Line Adjustment" to the County.
- Upon the County's approval a nominal fee is required to finalize the adjustments and record the new parcel numbers and legal descriptions.

D. TIMEFRAME/PROJECT SCHEDULE

BLA application to Pierce County	September 2017
Execution and approval of BLAs	January 2018
Recording of new parcel diagrams and legal descriptions	January 2018

E. FINANCIAL SUMMARY

Financial Impacts

Adjusting these County parcels supports the Prologis Warehouse Development. This 50-year lease generates rent in the amount of \$180,206/month (\$2,162,472/year).

F. ECONOMIC INVESTMENT / JOB CREATION

Approval of this action supports the Prologis warehouse development project, which will create jobs during construction and hundreds more after the project is completed.

G. ENVIRONMENTAL IMPACTS / REVIEW

No environmental impacts.

H. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

No alternatives are available. This is a City of Tacoma requirement to obtain final building and occupancy permits.

I. NEXT STEPS

Upon Commission approval and final County approval, the Chief Executive Officer or his designee will approve and execute the boundary line adjustments for parcels located at Port Parcel 14 – 5200 12th Street East.

cc: Tong Zhu