

COMMISSION AGENDA

Item No: 2C

Meeting: 09/20/2018

DATE: September 13, 2018

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: Amendment of Deed Restrictions for Property
Located at 1640 East Marc Street, Tacoma, WA

A. ACTION REQUESTED

Commission approval to delegate to the CEO the authority to approve amendments to deed restrictions for property located at 1640 East Marc Street, Tacoma, WA. The amended restrictions shall be stated in all future deeds.

B. BACKGROUND

- Tyee Management Company, LLC ("Tyee") owns approximately 43-acres of property at 1640 East Marc Street in Tacoma, WA.
- The Property consists of several parcels of contiguous land containing several improvements. Some parcels have been combined over the years. The Property is currently operated as a wood pole and lumber sawmill and treatment facility.
- The Port of Tacoma sold a portion of the Property by Real Estate Contract dated September 13, 1973 and Deed dated September 8, 1983 and recorded under recording number 8310030245.
- The Port of Tacoma sold a portion of the Property by Real Estate Contract dated July 25, 1974 and Deed dated January 11, 1979 and recorded under recording number 8211230257.
- The Port of Tacoma also transferred a portion of the Property by Deed dated June 12, 2015 and recorded under recording number 201506170148.
- The above sales and transfers included a restriction on the use of the Property to "peeling, treating, cutting, milling and storage of lumber, logs and poles and related uses, including sawmill and lumber processing operations", or "industrial complex which includes a new wood preserving plant and sawmill".
- Tyee requests amendment of the use restriction to "industrial purposes permitted under then-current zoning codes or grandfathered under applicable law", to broaden the potential industrial uses permitted on the Property. The amended restrictions would be stated in all future deeds.

C. SCOPE OF WORK

The Port's Real Estate Department and Attorney will work with Tyee to develop deed restrictions that are acceptable to all parties and protect the Port's interests and rights in these parcels.

D. TIMEFRAME

The Port will work with Tyee to complete the amendments as soon as possible. It is expected that the amendments will be completed this month.

E. FINANCIAL SUMMARY

There is no financial impact to the Port beyond staff and legal time which is expected to be minimal.

F. ECONOMIC INVESTMENT / JOB CREATION

The Port's amendment of the deed restrictions on the Property supports local businesses and the property owners by broadening the potential productive industrial uses of the Property, while still protecting the Port's interests and property rights.

G. ENVIRONMENTAL IMPACTS / REVIEW

No known environmental impact or concerns.

H. NEXT STEPS

Upon Commission approval, the CEO or his delegate will approve the deed amendments.