

Property Acquisition: 3604 40th Avenue E., Tacoma, WA

Presenter:

Scott Francis
Director, Real Estate
Port of Tacoma



Action Requested

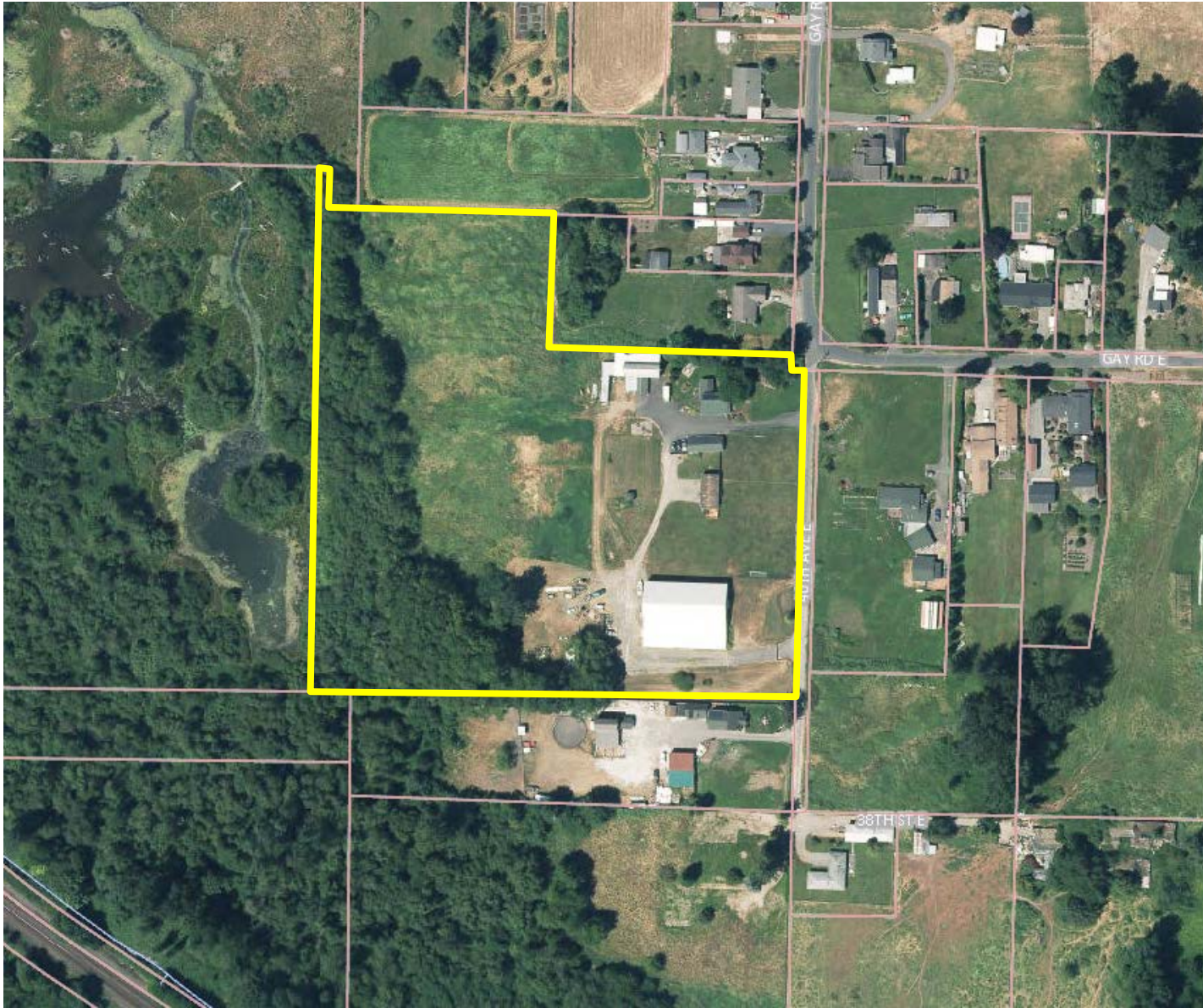


Request Commission approval of the Purchase and Sale Agreement dated September 4th, 2018 with Stan and Judy Chichinski (Seller) to purchase the property located at 3604 40th Avenue E., Tacoma, Washington also known as Pierce County tax parcel 0320132103, and authorize the Chief Executive Officer or his designee to execute any and all additional documents and take any and all additional actions necessary or required in connection with the completion of the purchase.

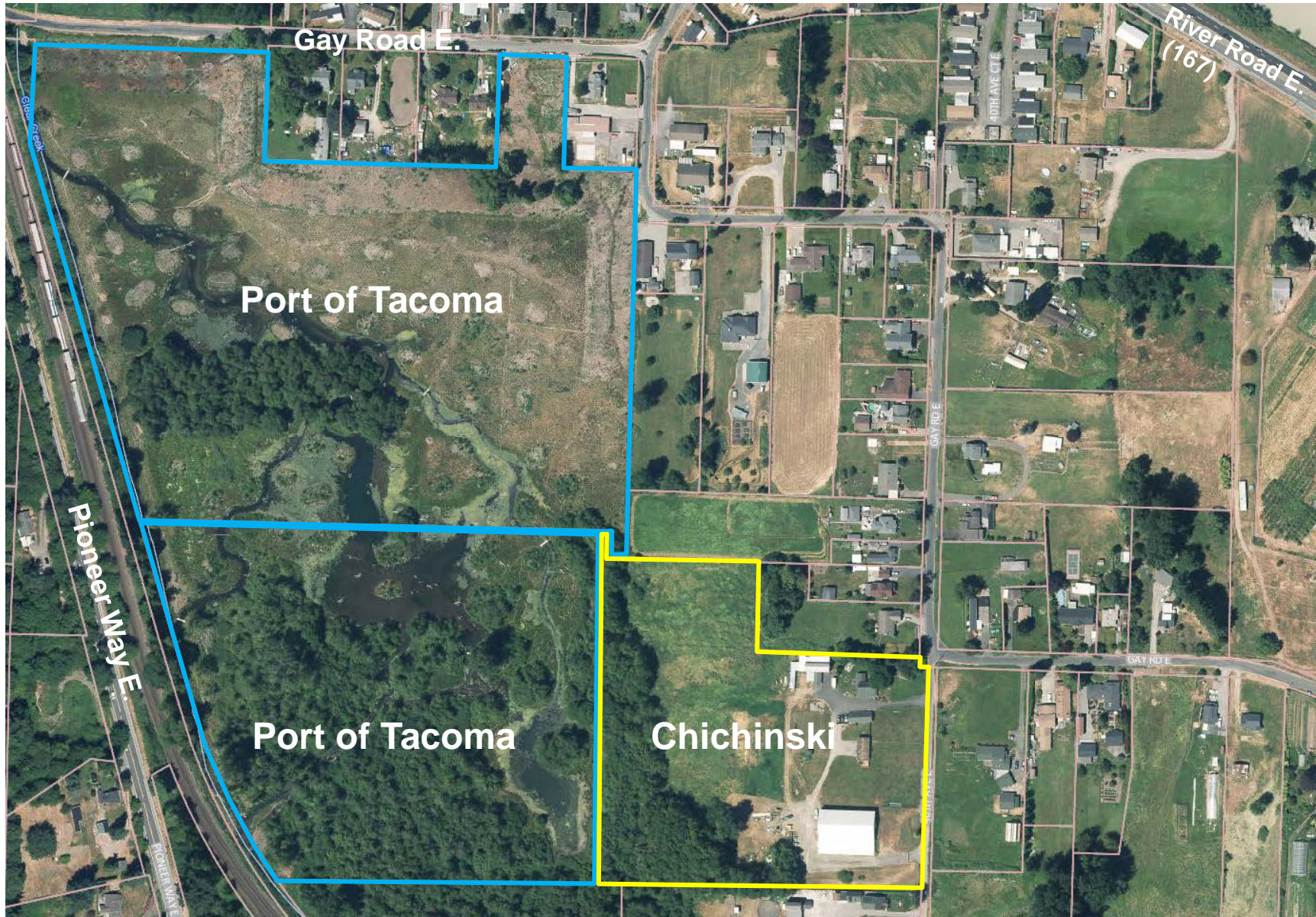
Chichinski PSA Location



Chichinski PSA Premise



Chichinski PSA Premise



Chichinski Property



Background



- This property is adjacent to and will provide expansion opportunities to the Port's existing Upper Clear Creek Mitigation Bank project to develop fish habitat.
- The acquisition of this property will support the Port of Tacoma's Strategic Initiative, Goal 5: Advance Environmental Stewardship including the development of a mitigation bank.
- This property allows the Port to obtain additional fish conservation and/or wetland credits.

Property Description



- The property is approximately 10.01 acres.
- This property is improved with the following:
 - Single-family Residence
 - Manufactured Home
 - Multiple outbuildings including a detached garage and a small barn.
 - Arena

Purchase and Sale Terms



- Sale Price: \$747,000 (subject to appraisal)
- Earnest Money: \$10,000
- Closing Cost: Normal closing costs.
- Feasibility Period: 60 days with an extension available for Phase 2 inspection if needed.
- Closing: On or before 12/31/18.
- Seller will lease property at closing for about 18-months with option to extend the lease up to six additional months.

Seller Lease Terms



- Lease starts at closing.
- Rent is flat rate of \$3000/month including excise tax.
- Security deposit is \$36,000.
- Lease premises includes 10.01 acres and all improvements.
- Tenant use is for personal residence.
- Port has ability to enter property to test, survey, monitor and complete such items as baseline studies, wetland delineations, and site investigations.
- At least one-year after closing, the Port has ability to sell and/or demolish the arena.
- The Lease is in As-Is Condition and Lessee is responsible for all maintenance.

Future Use/Benefit to Port



- Purchasing this property allows buffer areas to be removed from the Port's adjacent mitigation site thereby increasing the site's value.
- This site may be used to develop additional mitigation area.
- This property will improve Port's mitigation site operations and development in several ways:
 - Reduced time to negotiate and obtain development permits resulting in a shorter development schedule (concept to construction/delivery).
 - Lower mitigation costs by utilizing more favorable mitigation ratios, increasing value of work already conducted, and support larger more cost effective mitigation sites.
 - Reduced uncertainty regarding mitigation requirements and success.

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