

# COMMISSION AGENDA

Item No: 5F

Meeting: 09/20/18

**DATE:** Spetember 5, 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:** Frederickson Purchase & Sale Agreement for Port Parcels 60-3 and 60-4  
4202 192<sup>nd</sup> Street E., Unincorporated, Pierce County, WA 98446

## A. ACTION REQUESTED

Request Commission approval of the Purchase and Sale Agreement dated July 5, 2018 with Logistics Property Company, LLC (Buyer) to sell Port Parcels 60-3 and 60-4 also known as Tax Parcels 0318012013 and 0318012005, located on 192nd Street East in Unincorporated, Pierce County (Frederickson), Washington, 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 sale.

## B. BACKGROUND

- The Port purchased this property in 1964.
- Port Parcels 60-3 and 60-4 have a combined area of 42.95 acres with about 20 usable acres.
- The Port Commission declared this property surplus in July 2012.
- In November 2016, the Port executed an Exclusive Listing Agreement with local Brokers to sell these parcels.
- Previous Purchase and Sale Agreements have terminated within the due diligence period because of issues associated with the development of this property.
- The Purchase and Sale Agreement from Logistics Property Company, LLC was mutually accepted by parties on July 6, 2018 subject to the appraised valuation and approval by the Port Commission in a public meeting.

## C. TIMEFRAME/PROJECT SCHEDULE

- Feasibility Period – Feasibility period scheduled to end July 1, 2019. Two 45-day extension periods are available if needed to obtain permits. Each extension requires an additional \$15,000 non-refundable deposit.
- Closing – 15 days after the removal or satisfaction of the feasibility contingency, but no later than October 19, 2019.

## D. PURCHASE TERMS/FINANCIAL SUMMARY

- Sale Price: \$3,354,120 (Subject to survey and appraisal)
- Earnest Money: \$50,000

- Broker Commission: 5% of sale price as per Listing Agreement.
- Closing Fees: Port to pay for title policy; Port and Buyer each pay half of escrow fees.
- Special Provisions:
  - Buyer shall commence work on improvements within one-year of closing.
  - Buyer shall not transfer title within one-year from purchase date.
  - Property shall only be used for industrial or commercial purposes permitted by applicable zoning and other applicable law.

#### **E. ECONOMIC INVESTMENT / JOB CREATION**

Development of an undeveloped Frederickson industrial property which will produce new local Pierce County jobs.

#### **F. NEXT STEPS**

Upon Commission approval, the Chief Executive Officer or his designee will execute any and all documents and take any and all additional actions necessary or required in connection with the completion of the sale.