

COMMISSION AGENDA

Item No: 5E

Meeting: 06/13/19

DATE: May 29, 2019

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: Purchase & Sale Agreement Amendment
13120 Tilley Road SW, Unincorporated Thurston County, WA 98512

A. ACTION REQUESTED

Request Commission approval of:

The Amendment to extend the Feasibility Period and closing date for the Purchase and Sale Agreement (PSA) dated December 6, 2018 with NorthPoint Development, LLC (Buyer) to sell portions of Sections 1, 2, 3, 11 and 12 of Township 16 North, Range 2 West, W.M., Thurston County Tax Parcel Number 12602340100, located at 13120 Tilley Road SW, Unincorporated Thurston County, Washington, and authorize the Executive Director 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, consistent with the amended Purchase and Sale Amendment.

B. BACKGROUND

- On July 28, 2006, the Port of Tacoma purchased approximately 745 acres of land located at 13120 Tilley Road SW in Unincorporated Thurston County, WA for \$21,250,000.
- On March 18, 2010 the Port of Tacoma Commission approved Resolution 2010-04, approving this 745-acre parcel for surplus and authorizing this property for sale.
- The Port initially sold the property in April 2010 to Maytown Sand & Gravel, LLC. Maytown Sand & Gravel was unable to perform its agreement with the Port, and relinquished the Property back to the Port on October 7, 2013.
- The Port initiated a Request For Offers to Purchase (RFOP) the property on October 17, 2013. This RFOP was active to receive responses until November 15, 2018.
- Port of Tacoma Commission approved this Purchase and Sale Agreement (PSA) with NorthPoint Development, LLC on December 20, 2018.
- The PSA includes the following terms:
 - Sale Price: \$24,860,000
 - Earnest Money: \$500,000 (non-refundable at end of Feasibility Period).
 - Feasibility Period: 180-days (June 17, 2019).
 - Approvals Period: 150-days (November 14, 2019).
 - Closing Date: on or before December 20, 2019.
 - Closing Fees: Port pays for title policy. Port and Buyer each pay half of escrow fees.

- The Buyer now requests an extended Feasibility Period to February 29, 2020 to pursue entitlements to support their intended use of the property. The closing date will be no later than August 31, 2020.

C. TIMEFRAME/PROJECT SCHEDULE

- Feasibility Period – Extended to February 29, 2020.
- Approvals/Permit Period – 150 days.
- Closing – On or before August 31, 2020.

D. FINANCIAL SUMMARY

- This action has no current financial implications.
- The successful sale of this property will remove a non-performing asset from the Port's balance sheet, and it will end the Port's land ownership in Thurston County.

E. ECONOMIC INVESTMENT / JOB CREATION

The development of this property after the sale closing is expected to produce hundreds of new local Thurston County jobs.

F. NEXT STEPS

Upon Commission approval, the Executive Director or his designee will execute any and all documents and take any and all additional actions necessary or required in connection with the Amendment to the Purchase and Sale Agreement.