

COMMISSION AGENDA

Item No: 3C

Meeting: 03/19/2020

DATE: March 3, 2020

TO: Port Commission

FROM: Eric Johnson, Executive Director

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

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

SUBJECT: PORT PARCEL 129 PERSONAL PROPERTY: COMMISSION ACTION TO DECLARE PORT PERSONAL PROPERTY SURPLUS

A. ACTION REQUESTED

Adopt Resolution No. 2020-02-PT to declare as surplus certain Port-owned personal property consisting of five buildings totaling approximately 16,320 square feet located at 3604 40th Avenue E., Tacoma, Washington (Pierce County tax parcel 0320132103); authorize the sale of such personal property; and authorize the Executive Director or his designee to take any and all actions and execute any and all documents necessary or required in connection with the sale of such personal property at such prices and on such terms as approved by the Executive Director or his designee.

B. BACKGROUND

- The Port purchased this 10.1-acre property in 2018, in support of the Port's Strategic Initiative, Goal 5: Advance Environmental Stewardship (mitigation bank).
- This property combined with adjacent Port owned properties will provide an opportunity for the development of additional fish and wetland habitat mitigation area and additional mitigation credits.
- The property was leased back to the seller after acquisition.
- This lease will terminate on or about June 30, 2020.
- Unoccupied buildings are a liability.
- The Port's project to develop additional mitigation area requires the removal of the existing buildings which total approximately 16,320 square feet and consist of the following:
 - Single-family residence of approximately 1,560 SF built about 1900.
 - Detached garage of approximately 1,000 SF built in 1930.
 - Barn of approximately 1,040 SF built about 1900.
 - Arena of approximately 11,568 SF built in 1993.
 - Manufactured home of approximately 1,152 SF built in 1983.
- Executive authorization for advance work (preliminary design) in the amount of \$300,000 was approved on May 29, 2019 in support of the 2019 Port of Tacoma Performance Goals & Expectations to Demonstrate Environmental Stewardship and Implement a Habitat Mitigation Plan. The preliminary design will help determine habitat design alternatives, mitigation credits, and future habitat development costs.

C. REQUESTED COMMISSION ACTION:

Adopt Resolution No. 2020-02-PT to declare as surplus certain Port-owned personal property consisting of five buildings totaling approximately 16,320 square feet located at 3604 40th Avenue E., Tacoma, Washington (Pierce County tax parcel 0320132103); authorize the sale of such personal property; and authorize the Executive Director or his designee to take any and all actions and execute any and all documents necessary or required in connection with the sale of such personal property at such prices and on such terms as approved by the Executive Director or his designee.

As clarification, this surplus is for the buildings only and does not include the land.

If the buildings are not sold and removed from the property on a timely basis, Engineering staff will return to the Commission to seek approval to demolish the buildings. The current Engineer's estimate for the demolition of all the buildings is \$320,000.

D. BENEFITS OF LISTING THE BUILDINGS AS SURPLUS AND SELLING OR DEMOLISHING THE BUILDINGS:

- This property is planned for the development of a habitat mitigation site that requires the removal of all structures.
- A successful sale of some or all of the buildings will reduce the Port's demolition cost.
- The removal of unoccupied structures either by sale or demolition will reduce maintenance and security liabilities.

E. FINANCIAL IMPACT

- There is no direct financial impact to the Port as a result of this proposed action to declare the personal property surplus.
- A successful sale of some or all of the buildings will reduce the Port's demolition cost.
- Upon the successful sale or demolition of these buildings, the Port will benefit from reduced maintenance and security costs related to the buildings. Also, the Port will benefit from the reduced liability caused by unoccupied buildings.

F. ECONOMIC INVESTMENT / JOB CREATION

As part of the Port's habitat mitigation strategy, the development of this property will improve fish, wetland, and floodplain habitat and ecosystems, and it will augment the Port's adjacent 41-acre Upper Clear Creek Mitigation Site. Site development will also produce mitigation credits that will be used to support Port projects or sold to support future local economic development projects and/or transportation improvements.

G. NEXT STEPS

Upon Commission approval, staff will market all buildings for sale. If buildings are not sold and removed from the property on a timely basis, Engineering staff will request Commission approval at a future meeting to demolish the buildings.

Resolution 2020-02-PT



A Resolution of the Port of Tacoma Commission of the Port of Tacoma, Washington, declaring surplus certain Port personal property, and authorizing the Port Executive Director to sell/dispose of the surplus property.

WHEREAS, pursuant to RCW 53.08.090, Port staff has determined that certain port-owned personal property is appropriate to be declared surplus to allow for disposal and sale, consisting of four separate improvements located at 3604 40th Avenue E., Tacoma, Washington also known as Tax Parcel Number 0320132103 and more particularly described as follows (the "Property"):

1. Single-family residence built in 1900 and being approximately 1,560 square feet with a common address of 3604 40th Avenue E, Tacoma, WA.
2. Doublewide manufactured home consisting of Tax Parcel No. 5555514195, being approximately 1,152 square feet, and identified as Make: Commo; Model: Citation; Year: 1983; Serial No. SG4464A; TPO No. +257322, with a common address of 3606 40th Ave E, Tacoma, WA.
3. Wood construction barn built in 1900 and being approximately 1,040 square feet.
4. Arena built in 1993 and being approximately 11,568 square feet, enclosed Class S building with steel siding; and
5. Detached garage built in 1930 and being approximately 1,000 square feet.

WHEREAS, the Port Executive Director has certified the Property to be surplus to the Port's need.

WHEREAS, the real property (land) on which the structures are located will not be surplus.

WHEREAS, because the estimated value of the Property proposed to be declared surplus exceeds \$19,262.00, this action requires Commission approval.

NOW, THEREFORE, be it resolved that:

1. The Property described herein above is deemed surplus.
2. The Property can be disposed of through competitive bids by publicly advertising the sale, contract for a licensed auctioneer to publicly auction property, or consign property to a licensed auction or consignment service for public sale or can be sold individually by public competitive bid pursuant to this Commission authorization.

3. The sale of surplus personal property to Port officials or employees will be restricted to public auctions, or consignment for bid, where the process is managed by a third-party vendor and all interested parties have equal opportunity in the bidding process.
4. Following the surplus action, an itemized list of the items sold, their sale prices and the total proceeds will be communicated to the Commission.

ADOPTED by a majority of the members of the Port of Tacoma Commission at regular meeting held on the 19th day of March 2020, a majority of the members being present and voting on this resolution and signed by its President and attested by its Secretary under the official seal of said Commission in authentication of its passage this 19th day of March 2020.

John A. McCarthy, President
Port of Tacoma Commission

ATTEST:

Don Meyer, Secretary
Port of Tacoma Commission

draft

Item No.: 3C
Date of Meeting: March 19, 2020

Declaration of Personal Property as Surplus: 3604 40th Avenue E., Tacoma, WA

Presenter:

Scott Francis
Director, Real Estate
Port of Tacoma



Action Requested

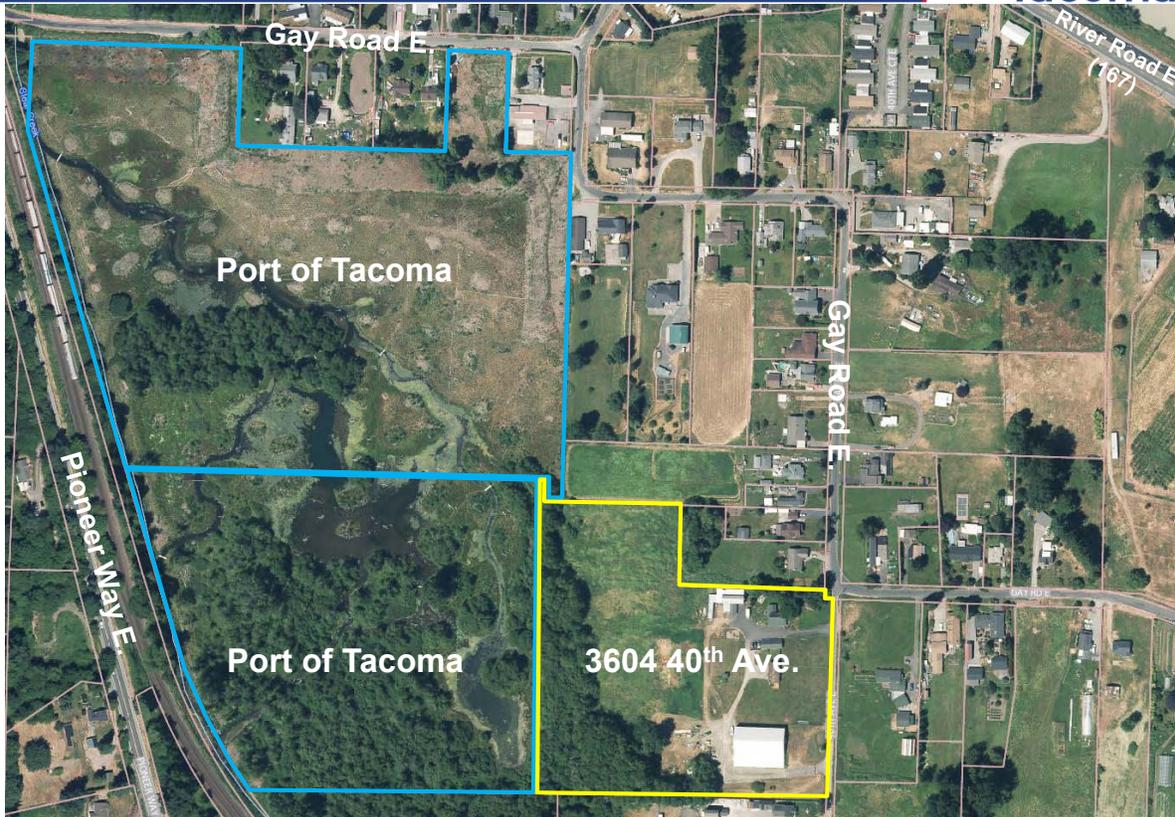


Adopt Resolution No. 2020-02-PT to declare as surplus certain Port-owned personal property consisting of five buildings totaling approximately 16,320 square feet located at 3604 40th Avenue E., Tacoma, Washington (Pierce County tax parcel 0320132103); authorize the sale of such personal property; and authorize the Executive Director or his designee to take any and all actions and execute any and all documents necessary or required in connection with the sale of such personal property at such prices and on such terms as approved by the Executive Director or his designee.

Surplus Location: 3604 40th Avenue E.



Surplus Property Location 3604 40th Avenue E.



4

Surplus Building Location 3604 40th Avenue E.



5

Surplus Buildings



Single-Family Residence
Approx.: 1,560 SF
Built: 1990

Barn
Approx.: 1,040 SF
Built: 1900



6

Surplus Buildings



Manufactured Home
Approx.: 1,152 SF
Built: 1983

Detached Garage
Approx.: 1,000 SF
Built: 1930



Surplus Buildings



Arena
Approx.: 11,568 SF
Built: 1993

Background



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Background Continued



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Background Continued



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Benefits of Listing Buildings as Surplus



- This property is planned for the development of a habitat mitigation site that requires the removal of all structures.
- A successful sale of some or all of the buildings will reduce the Port's demolition cost.
- The removal of unoccupied structures either by sale or demolition will reduce maintenance and security liabilities.

Financial Impact



- There is no direct financial impact to the Port as a result of this proposed action to declare the personal property surplus.
- A successful sale of some or all of the buildings will reduce the Port's demolition cost.
- Upon the successful sale or demolition of these buildings, the Port will benefit from reduced maintenance and security costs related to the buildings. Also, the Port will benefit from the reduced liability caused by unoccupied buildings.

Economic Benefits



As part of the Port's habitat mitigation strategy, the development of this property will improve fish, wetland, and floodplain habitat and ecosystems, and it will augment the Port's adjacent 41-acre Upper Clear Creek Mitigation Site. Site development will also produce mitigation credits that will be used to support Port projects or sold to support future local economic development projects and/or transportation improvements.

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