

Item: 6E

Date: 04/21/26

# Authorization to Execute a Purchase and Sale Agreement

## 13120 Tilley Road SW

Tyra Dieffenbach, Sr. Manager, Real Estate

Port of Tacoma Commission Meeting

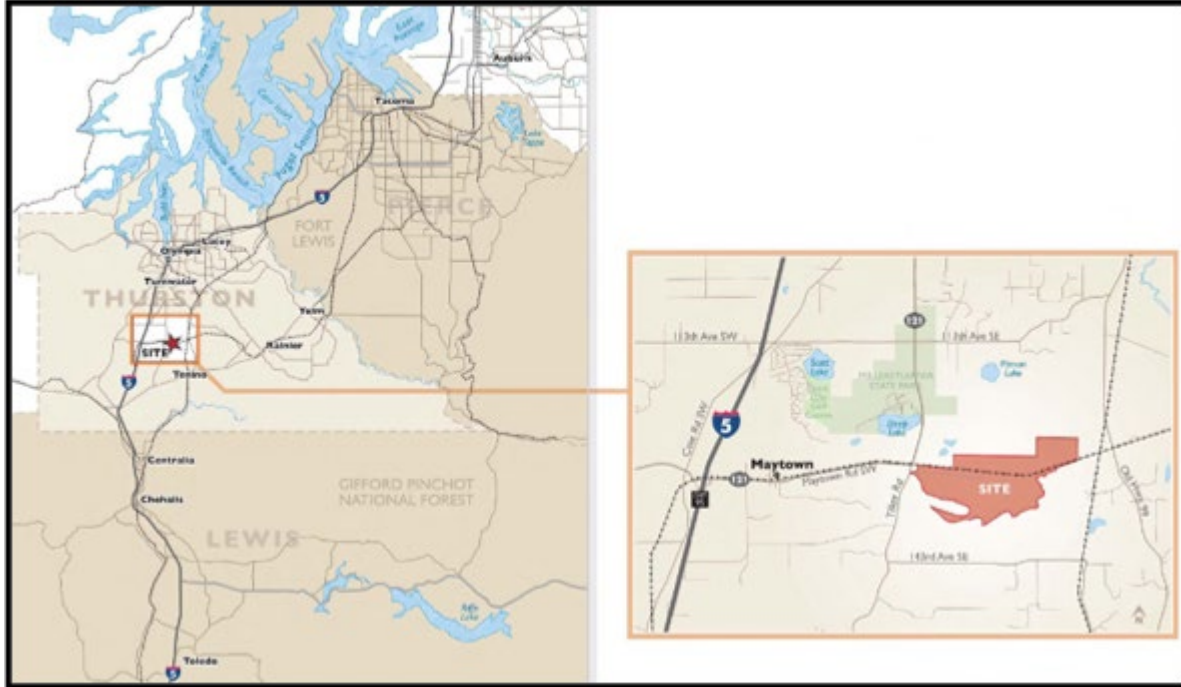
Date: April 21, 2026



# Action Requested

Authorize the Executive Director, or his designee, to execute a Purchase and Sale Agreement dated April 21, 2026 with Miles Sand and Gravel Company (Buyer) to sell Port-owned real property located at 13120 Tilley Road SW, Thurston County, Washington, and to execute any additional documents and take any and all additional actions necessary through closing of the sale consistent with the Purchase and Sale Agreement.

# Vicinity Map & Aerial Photo



# Background

- Purchased in 2006 for \$21,250,000
- Property is approx. 745 acres
- Zone R1/20
- Mining is allowed as a special use



# Background – Cont'd

- Resolution 2010-04 approved the property for surplus & sale to Maytown Sand & Gravel, LLC.
- Property relinquished back to the Port in 2013
- In 2018, a Purchase & Sale was executed with NorthPoint Development
- In 2021, the Purchase & Sale with NorthPoint was terminated.



# Background – Cont'd

- Site's existing permits and entitlements have been preserved.
  - Next 5-Year Permit Review due in Q2 2026.
- Appraisal obtained in 2024 concluded:
  - The highest and best use of the property is as a gravel mine
  - The fair market value for the property: \$20,000,000.



- The Port has been actively marketing the property for sale.
- Several written offers were received.
- The proposed Purchase & Sale Agreement provides the best combination of terms and conditions relative to the other written offers.
- The successful sale of this property will:
  - remove a non-performing asset from the Port's balance sheet,
  - eliminate the costs of maintaining the site's permits, and
  - satisfy the Port's obligation to sell the property.

# Proposed Terms & Conditions

- Prospective buyer: Miles Sand and Gravel Company
- Sale Price: \$17,250,000 cash
- Earnest Money: \$500,000 due 5 business days from execution of the PSA
- Due Diligence: 120 days from Effective Date of PSA (approx. August 20, 2026)
- Due Diligence Extension Options: 3 consecutive 30-day periods each, if enacted, approximate date ranges would be:
  - 1<sup>st</sup> Ext. Period: August 21 – September 20, 2026
  - 2<sup>nd</sup> Ext. Period: September 21 – October 21, 2026
  - 3<sup>rd</sup> Ext. Period: October 22 – November 21, 2026
- Due Diligence Extension Fee: \$50,000 deposit for each extension

- Closing Date: 30 days after the end of due diligence (including extensions)
  - On or before approx. December 22, 2026 – depending on due diligence period
- Broker Commission: None
- Closing Fees:
  - Seller: Owner's Policy (title insurance) costs & half of the escrow fees
  - Purchaser: Recording costs & half of the escrow fees
- Transfer of all mine approvals & permits

- The current net book value of this property is \$7,840,000.
- An unbudgeted gain on sale will be recorded in 2026 upon completion of the sale



# Timeline

Activity	Date (approx.)
Execution of Purchase & Sale Agreement	April 21, 2026
Earnest Money due to Escrow	April 28, 2026
Due Diligence Period	April 22, 2026 – August 20, 2026
Due Diligence Extension Options	August 21, 2026 – November 21, 2026
Closing & Transfer of Permits	On or before December 22, 2026

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# Thank You

## Questions & Discussion



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