

COMMISSION AGENDA

Item No: 2C

Meeting: 07/20/17

DATE: July 7, 2017

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer

Sponsor: Tong Zhu, Chief Commercial Officer, Container & Real Estate

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

SUBJECT: Partial Release of the Port's Right of First Refusal for Property Located at 1308 Alexander Avenue East, Fife, WA 98424

A. ACTION REQUESTED – CONSENT AGENDA

Request Commission approval for the CEO or his delegate to execute a partial release of the Port's Right of First Refusal (ROFR) to purchase the property located at 1308 Alexander Avenue East, Fife, WA. The Port's ROFR shall continue to apply to future sales of the Property and shall be stated in the deed.

B. BACKGROUND

- The Port of Tacoma approved this item at the 6/15/17 Commission meeting. Since then, the purchased price was reduced from \$2,050,000 to \$1,950,000. Thus, this item is resubmitted for approval as a Consent Agenda item.
- The property at 1308 Alexander Avenue East was recently listed and marketed for sale.
- A purchase and sale agreement was approved on 5/03/17.
- The property title report identified the Port's Right of First Refusal (ROFR) to purchase.
- Both the Buyer and the Seller request the Port release its ROFR and allow this sale to close.
- The property is described as a one-acre parcel with 6,500 SF of warehouse, 7,420 SF of office and 6,580 SF of flex area. The current market monthly lease rate is estimated at \$10,893/mo. + NNN expenses.
- This property is not located within the Port's strategic area.
- The Port has no immediate use or need for this property.

C. SCOPE OF WORK

Draft and execute a Partial Release of the Port's Right of First Refusal and coordinate with escrow to insure the deed includes the Port's Right of First Refusal.

D. TIMEFRAME

The sale of this property is scheduled to be completed on July 31, 2017.

E. FINANCIAL SUMMARY

There is no financial impact to the Port.

F. ECONOMIC INVESTMENT / JOB CREATION

This sale supports local businesses and property owners.

G. ENVIRONMENTAL IMPACTS / REVIEW

There is no known environmental impact.

H. NEXT STEPS

Upon Commission approval, the CEO or his delegate will execute the Partial Release of the Port's Right of First Refusal for the Purchase and Sale Agreement dated 4/25/17 between Fancher Properties LLC (Seller) and Thomas F. Feller and/or Assigns (Buyer) for the property located 1308 Alexander Avenue East, Fife, WA.

cc: Tong Zhu