ACTION ITEM MEMO

Port of Tacoma Commission

Item No: 6B
Meeting Date: 9/15/2026

DATE: September 8, 2026

TO: Port of Tacoma Commission

FROM: Eric Johnson, Executive Director

Sponsor: Debbie Shepack, Sr. Director, Real Estate

Project Manager: Tyra Dieffenbach, Sr. Manager, Real Estate

SUBJECT: Purchase & Sale Agreement Amendment – 13120 Tilley Rd SW

A. ACTION REQUESTED

Authorize the Executive Director, or his designee to execute an amendment to the Purchase and Sale Agreement dated April 21, 2026, regarding 13120 Tilley Road SW, Thurston County, WA with Miles Sand & Gravel to extend the Feasibility Period, and 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 Agreement.

Strategic Plan Initiative

OS 1: Continue solid Port financial success and fiduciary performance.

B. BACKGROUND

Property:

- On July 28, 2006, the Port of Tacoma purchased approximately 745 acres of land located at 13120 Tilley Road SW in Thurston County for $21,250,000.
- The Port purchased the property pursuant to an interlocal agreement with the Port of Olympia with the intent to jointly develop rail system enhancements. That interlocal agreement was subsequently terminated.
- Current zoning for the property is R1/20 (rural – one dwelling per 20 acres). This zoning classification permits low density residential, agricultural, forestry, conservation & associated uses that do not require urban services.
- Gravel mining is allowed on property via a Special Use Permit.
- Entitlements: Allen & Company, LLC and the Black Hills Audubon Society (BHAS) entered into a settlement agreement to address environmental concerns related to the proposed Maytown Aggregates mining project, including reducing the project footprint, protecting sensitive wetlands, and establishing a $325,000 conservation fund to support habitat protection in the Black River watershed. This agreement remains binding through the completion of mining and reclamation activities, including future owners and operators.

Purchase and Sale Background:

- On April 21, 2026 – Commission approved a Purchase & Sale Agreement with Miles Sand & Gravel
- An ongoing obligation of the Port was to complete the 5- year Review Process with Thurston County for the Special Use Permit.
- The Port applied for the 5-year review on April 13, 2026.
- Thurston County has scheduled the Hearing Examiner hearing on the 5-year review for October 13, 2026.
- The mid-October Hearing Examiner date does not align with the due diligence period outlined in the original PSA, and the Purchaser requested an amendment.

Current critical Dates (without an amendment):

- Aug. 19-Sept. 19 – Miles Due Diligence #1
- Sept. 19 – Oct. 19 – Miles Due Diligence #2
- October 13 – Hearing Examiner hearing
- ***Approx.*** October 29 – Final Decision received
- Oct. 19 – Nov. 19 – Miles Due Diligence #3
- December 22 – Last day to close on sale

Note: Timeline is approximate.

C. PURCHASE & SALE AMENDMENT TERMS:

- The requested amendment would extend Diligence Periods #2 & #3 to 90 days each.
- This would give the Port time to continue the 5-year Review process with Thurston County prior to expiration of due diligence.
- If the amendment is approved, timeline for closing would be:
  - Due Diligence #2: Sept.19, 2026 – Dec. 18, 2026
  - Due Diligence #3: Dec. 18, 2026 – March 18, 2027
  - Closing: No change from current Purchase and Sale language.
    - 30-day after end of due diligence (on or about April 17, 2027)

D. FINANCIAL SUMMARY

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

E. NEXT STEPS

After receiving Commission approval, the Executive Director will execute the amendment to the Purchase and Sale Agreement, and Port staff will work to satisfy Port obligations under the Agreement through closing.