



Frederickson Purchase & Sale Agreement for Port Parcel 60-2

Presenter:

Scott Francis
Director, Real Estate
Port of Tacoma



Action Requested



Request Commission approval of the Purchase and Sale Agreement dated March 1, 2017 with Abston Henricksen Land and Timber Company, Inc. (Buyer) to:

- 1) sell Port Parcel 60-2 also known as Tax Parcel 0319363040, located in Pierce County, Washington, and
- 2) authorization for the Chief Executive Officer or his designee to:
 - a. execute any additional documents and take any additional actions necessary or required in connection with the completion of the sale, and
 - b. enter into an amendment to the Purchase And Sale Agreement, if needed, to adjust the purchase price consistent with the fair market value of the property as determined by the average of two appraisals in accordance with RCW 53.25.140, provided that such an amendment shall not decrease the average price per square footage of usable property upon which the price in the current Purchase And Sale Agreement is based.

Frederickson PSA Location



Frederickson PSA Premise



Background



- The Port purchased this property in 1964.
- Port Parcel 60-2 is about 18.66 acres.
- The Port Commission declared this property surplus in July 2012.
- In November 2016, an Exclusive Listing Agreement with local Brokers to sell this parcel was executed.
- The Port received and reviewed multiple offers to purchase Port Parcel 60-2.
- The Purchase and Sale Agreement from Abston Henricksen Land and Timber Company, Inc. was mutually accepted by parties on March 6, 2017 subject to Port Commission approval in a public meeting.

Purchase and Sale Terms



- Sale Price: \$3,659,693 (Subject to Appraisal)
- Earnest Money: \$50,000
- Broker Commission: 5% of sale price
- Closing Fees: Port is responsible for title policy; Port and Buyer each pay half of escrow fees.
- Special Provisions:
 - Buyer shall commence work on improvements within one-year of closing.
 - Buyer shall not transfer title within one-year from purchase date.
 - Property shall only be used for industrial or commercial purposes permitted by applicable zoning and other applicable law.

Purchase and Sale Terms Continued



- Feasibility Period is scheduled to end August 3, 2017.
- Closing – 30 days after the following events have occurred, but no later than 10/31/2017.
 - Removal or satisfaction of the feasibility contingency.
 - Buyer obtains Grade and Fill Permit.
 - SEPA approval.
 - Two 30-day extension periods are available if needed to obtain permits. Each extension requires an additional \$10,000 non-refundable deposit.

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