



PUBLIC SESSION

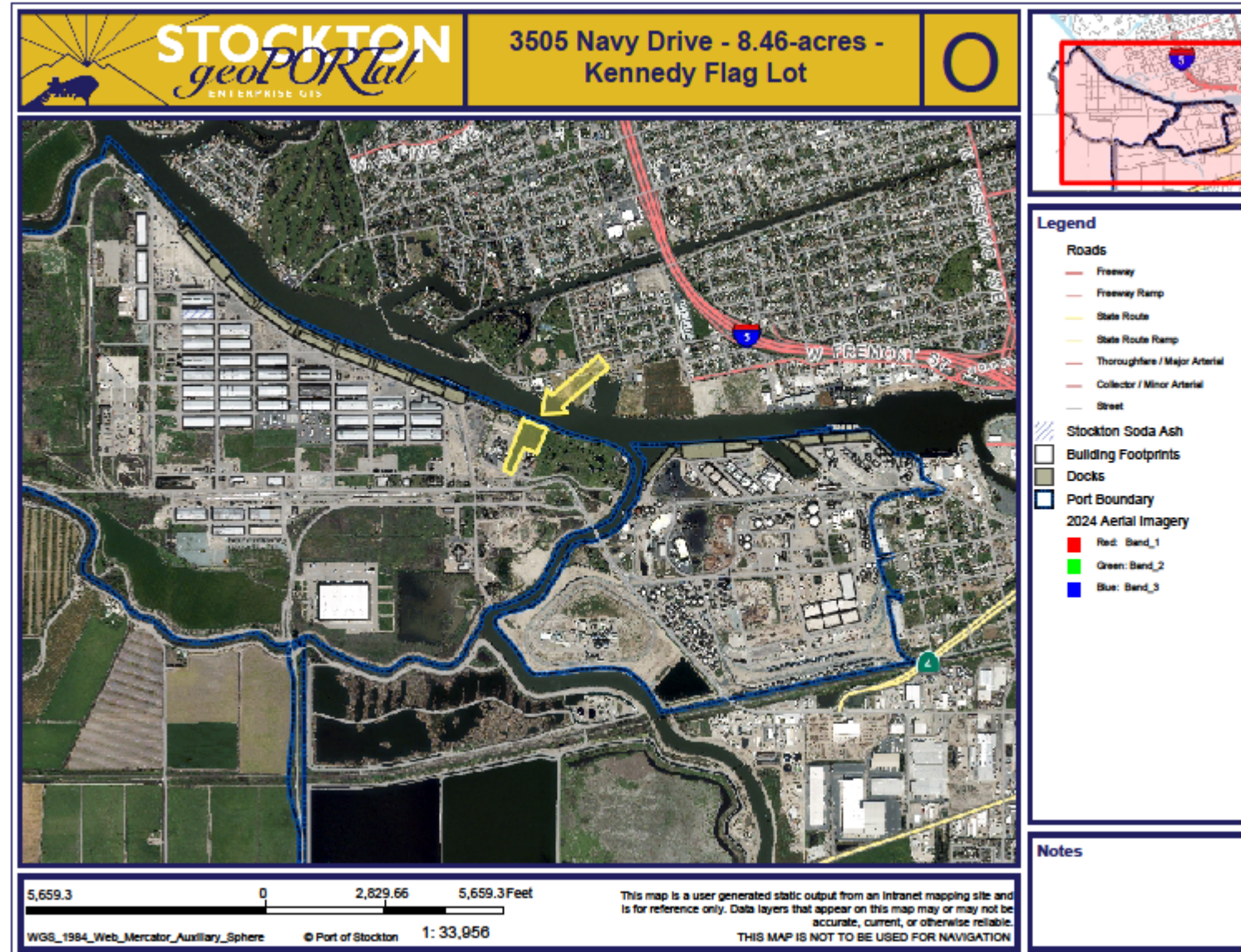
PROPERTY ACQUISITION - 3505 NAVY DRIVE

NOVEMBER 17, 2025

VICINITY MAP



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SITE MAP



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OVERVIEW



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- Approx. 8.46-acre (368,517 sq. ft.) vacant industrial parcel at 3505 Navy Drive (a.k.a. Kennedy Flag Lot property);
- Located on Rough & Ready Island near secured West Complex entry;
- Waterfront site with abandoned wharf; potential for dock rehabilitation and maritime-related uses;
- Critical to Port's long-term growth; prevents competitive uses; creates ~45.5 contiguous waterfront acres with 37-acre Golf Course
- Acquisition ensures compatible, Port-aligned future use

Background



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- Commission previously authorized negotiation of acquisition with Kennedy estate (Seller);
- Sales Price of \$4,500,000 (\$12.21/sf - \$531,916/acre);
- No broker fees;
- Targeted close by end of Calendar year 2025

- Strategically important waterfront asset supporting long-term Port development;
- Secures contiguous property and prevents incompatible or competitive use;
- Highest & Best Use: Industrial/Maritime-related use;
- Suitable for future maritime/industrial operations and potential dock rehabilitation;
- Combined with 37-acre former Lyons Golf Course creates a 45.5-acre waterfront development site

DUE DILIGENCE SUMMARY



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- Environmental: Phase I & II ESA completed and acceptable; no regulatory action warranted. Impacts from nearby facilities have not impacted property (Shell and prior Naval Station activity);
- Valuation: Independent appraisal supports agreed price; Appraiser: Cushman & Wakefield (August 15, 2025);
- Fair Market Value Range (as of July 18, 2025): \$4.425M–\$4.975M (\$12.01–\$13.50/sf).
- Title/Survey: Old Republic Title; CLTA/ALTA Land Title Survey ordered and scheduled for completion prior to close of escrow;
- Legal: Purchase and Sale Agreement prepared by Port's outside counsel and executed by Seller; subject to final legal review and Board authorization to close.

- Purchase Price: \$4,500,000;
- Closing Costs: (~\$40,000 / 0.9%);
- Funding: Included in FY2026 Budget;
- Funding source: Unrestricted Cash

RECOMMENDATION



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Port staff recommends:

- Approval of a resolution authorizing the Port Director to file a Notice of Exemption under CEQA Guidelines § 15061(b)(3);
- Complete acquisition of the Kennedy property (3505 Navy Drive) for \$4,500,000 plus closing costs estimated at \$40,000 (.9%); and
- Authorize the Port Director to take all closing actions necessary including execution of all documents related thereto.



THANK YOU