



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Sale of Tacoma Water Real Property – City Council Agenda for December 20, 2022
DATE: November 4, 2022

SUMMARY AND PURPOSE:

This memorandum provides information for the proposed sale of Tacoma Water property consisting of approximately 22.07 acres of land identified as King County Assessor Tax Parcel Nos. 1021049017 and 1021049064, to King County for \$4,000,000.00. Pursuant to Resolution No. U-11364 adopted November 16, 2022, the Public Utility Board requests the City Council declare surplus and authorize this real property sale.

BACKGROUND:

The sale property is in a suburban location in unincorporated King County near Federal Way and is used for Pipeline No. 5. water supply. Although originally acquired in 1967 for possible development of a water reservoir, upon review Tacoma Water management, it has been determined that there is no foreseeable need to retain ownership of the Dolloff Reservoir property and Tacoma Water wishes to dispose of the property, retaining an easement for Pipeline No. 5. Tacoma Water does not need to own the property as ownership entails additional management time and expense, and operational needs can be met through permanent easement rights alone as included in this transaction. Additionally, the sale will generate one-time revenue for Tacoma Water. Tacoma Water has negotiated the sale price of \$4,000,000.00; this figure takes into consideration the reservation of an easement to Tacoma Water for continued operation of Pipeline No. 5. King County will use Conservation Futures Funds for the acquisition, which will ensure ongoing environmental conservation of the property. Also, as negotiations for the sale of this property to King County commenced prior to adoption of TPU Surplus Policy #121, no notice was provided to the local jurisdiction or tribes. The sale transaction documents were reviewed by the City Attorney’s Office and approved by Tacoma Water management, and this surplus disposition was approved by the Public Utility Board via Resolution No. U-11364 adopted November 16, 2022. A Public Hearing was held before City Council on December 13, 2022.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

All abutting property owners were notified of the sale, a public hearing notice was published and the public hearing held as required by state law. Further opportunity for neighborhood and broader public input may be available through King County government.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The sale will allow continued development of the local community, which provides housing, educational, employment, and recreational opportunities in line with state-mandated Growth Management policies and King County development regulations. The sale property lies outside the corporate limits of the City of Tacoma and Tacoma Public Utilities’ service area in unincorporated King County with no Equity Index Score established.



ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Retain property	None.	Costs for maintenance and liability.

EVALUATION AND FOLLOW UP:

This is a one-time sale with no on-going evaluation required.

STAFF/SPONSOR RECOMMENDATION:

The Public Utility Board requests that the City Council declare surplus and authorize the sale of Tacoma Water property consisting of approximately 22.07 acres of land, identified as King County Assessor Tax Parcel Nos. 1021049017 and 1021049064, to King County for \$4,000,000.00.

FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Water Fund 4600	N/A	1860030	\$4,000,000.00
TOTAL			\$4,000,000.00

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

Sale Property Location Map.