



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Jackie Flowers, Director of Utilities  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Disposition of Tacoma Power Property – City Council Agenda for February 2, 2021  
**DATE:** January 27, 2021

---

**SUMMARY AND PURPOSE:**

This memorandum provides information for the proposed sale of approximately 1.19 acres of Tacoma Power property, identified as a portion of Lewis County Assessor Tax Parcel No. 028327-001-000, to Michael and Cheryl Jensen for \$125,500.00. Real Property Services requests the City Council declare surplus and authorize this real property sale.

**BACKGROUND:**

The sale property is in a rural location in central unincorporated Lewis County near Mossyrock adjacent to Mayfield Lake and the Kris Kay residential subdivision. It was originally acquired in 1961 by Tacoma Power, who no longer needs to retain ownership of the property as it lies outside of the FERC-regulated boundary and ownership entails additional management time and expense. As required by the Purchase and Sale Agreement, prior to closing of the sale the Buyer obtained approval from Lewis County for a Boundary Line Adjustment (BLA) needed to convey the sale property. The Jensens own an abutting tract in the Kris Kay residential subdivision; however, their site does not have enough room to accommodate a well, an on-site septic system/reserve area, and a house. The addition of the sale property through the Boundary Line Adjustment and sale is intended to allow them to construct a residence on the enlarged property. Real Property Services conducted a negotiated bid/sale process whereby all abutting property owners were given the opportunity to submit bids to purchase the property. The Jensens submitted the highest bid, which we believe adequately represents Fair Market Value, and we entered into negotiations to finalize a Purchase and Sale Agreement with them. The terms and conditions of the Purchase and Sale Agreement were reviewed by the City Attorney's Office and approved by Tacoma Power management and Real Property Services and this surplus disposition was approved by the Public Utility Board via Resolution No. U-11227 adopted December 9, 2020. A Public Hearing was held before City Council on January 26, 2021. A summary of the comments and responses is provided in the Attachment.

**(Cont. on Attachment.)**

**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, with public comment received. No further community engagement efforts were identified and no potential impacts are foreseen to the local community.

**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 Lewis County development regulations. As the sale property lies outside the corporate limits of the City of Tacoma, no Equity Index Scores have been identified.



**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:**

Tacoma Power and Real Property Services recommend that the City Council declare surplus and authorize the disposition of approximately 1.19 acres of Tacoma Power Property, identified as a portion of Lewis County Assessor Tax Parcel No. 028327-001-000, to Michael and Cheryl Jensen for \$125,500.00.

**FISCAL IMPACT:**

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
GL 6411030	CC 561100	N/A	\$125,500.00
<b>TOTAL</b>			<b>\$125,500.00</b>

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:**

Continuation of Background Info.

Sale Property Location Map.



## Attachment

**TO:** Elizabeth Pauli, City Manager  
**FROM:** Jackie Flowers, Director of Utilities  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Disposition of Tacoma Power Property – City Council Agenda for February 2, 2021  
**DATE:** January 27, 2021

---

### **BACKGROUND (cont.):**

Four members of the public provided comments or questions on issues as summarized below:

- 1) Process for public notice of properties for surplus disposition;
- 2) Process for tribal notification and possibility of conveyance of surplus properties; and
- 3) Potential impact to Mayfield Lake.

In response to questions regarding public and tribal notification, it was explained that a recently adopted City Council policy concerning tribal notification would not apply to the property as it is not within the limits of the City of Tacoma. It was also explained that pursuant to a recently adopted Tacoma Public Utility Board policy, appropriate Federally-recognized tribes may be afforded the opportunity to acquire the property. Moreover, if the property qualifies for the Affordable Housing provisions as outlined in state law, a property may be obtained at no cost by a proper entity. However, as this property was offered for sale prior to the adoption of the TPU Board policy, no Tribal notice was provided. Further, due to this property not being an independent lot of record available to convey to a non-abutter, and no Tribal ownership abuts the tract, no notice would have been required under the new Board policy. As to public notice, the multiple methods of notice and publication were detailed, including mailing to neighbors, publication in the City's newspaper of record, and posting to the City's website.

As to potential impact to Mayfield Lake, it was explained that this property is intended for residential use. Also, it does not abut the lake, and is subject to all development and environmental regulations under the jurisdiction of Lewis County, so no adverse impacts are likely.

In addition, one property abutter, who submitted one of the two unsuccessful offers, commented concerning whether the Buyer may not work with them on future use/division of the property. The presentation detailed that no multi-party offer was made - a requirement included in the original notice to all abutters if the property were to be divided among various abutters as part of the surplus sale. In response to her comment, it was also stated that the Buyer had recently reaffirmed their commitment to working with the neighbors on division and use of the property, but that this must occur after the Boundary Line Adjustment is recorded and the sale is closed.