




Date: June 26, 2017

To: William A. Gaines, Director of Utilities/CEO

From: Chris McMeen, Acting Water Superintendent 

Subject: Disposition of Real Property – Hyada Well Site Property

Recommendation: Tacoma Water requests that you authorize the sale of its property identified as Pierce County Assessor Tax Parcel No. 0321163140, covering approximately 0.30 acres (or approximately 13,000 SF) located at the southwest corner of 51st Street NE and Caledonia Road NE in unincorporated Pierce County, to Jeff A. and Mary J. Norton for \$160,000. Tacoma Water will retain an easement in the north 10 feet of the property.

Background: This former well site was part of Tacoma Water's 2001 acquisition of the Hyada Mutual Service Company. The well was decommissioned soon after purchase and the site has remained vacant since that time. The property is zoned Single Family residential, as part of the Browns Point/Dash Point Community Plan by Pierce County. As the property was not essential to Tacoma Water's needs, it was declared surplus in 2002. In July 2008 the property was offered for sale via a sealed bid process and the Public Utility Board declined to sell the property due to market conditions. Another sealed bid process was conducted in March 2015 and no bids were received. The property has been continuously listed on the City's surplus website and was recently listed with a real estate broker for the appraised value of \$160,000.

Tacoma Water has accepted an offer from Mr. and Mrs. Norton for \$160,000. The Nortons intend to develop and occupy a single family residence on the property. The offer is subject to both Public Utility Board and City Council approval. The sale proceeds will be used to offset the historical costs incurred to replace and upgrade the infrastructure included in the 2001 acquisition.

Schedule: Upon approval from the Public Utility Board, Real Property Services will hold a Public Hearing and seek final approval of the transaction from the Tacoma City Council. If approved, the transaction will be completed by September 30, 2017.

Thank you for your consideration of this request.