



TO: Elizabeth Pauli, City Manager
FROM: Jennifer S. Hines, Assistant Division Manager, Public Works
Linda Stewart, Director, Neighborhood and Community Services
COPY: City Council and City Clerk
SUBJECT: Resolution – Disposition of 5401 and 5407 South Tacoma Way, and 5402 S Puget Sound Ave – January 23, 2018
DATE: December 28, 2017

SUMMARY:

The Neighborhood and Community Services Department (NCS) requests City Council to authorize the Declaration of Surplus and execution of a Quit Claim Deed to convey 5401 and 5407 South Tacoma Way and 5402 S. Puget Sound Avenue to Eli Moreno, in the amount of Eight Hundred Fifty Thousand dollars (\$850,000).

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.

Approval of this disposition will place the property back into private ownership and supports the City's Policy for the Sale/Disposition of City Owned General Government Real Property.

BACKGROUND:

The City purchased this property using NCS mental health funds on January 27, 2017, for purposes of redeveloping the property into a Youth and Young Adult Drop-In Center and Overnight Shelter. After the acquisition, the City hired a consultant to complete a feasibility study based on program and space requirements. At the conclusion of the feasibility study, it was determined that the space available would not accommodate programming requirements for serving the young adult and youth population at this location, and a decision was made to seek a purchaser for the property.

The Community and Economic Development Department (CEDD) contacted a local developer, Eli Moreno, who expressed interest in purchasing the property. Mr. Moreno plans to develop the property into a co-work space, and offered to pay the City full asking price (\$850,000), with payments spread over five years. CEDD agreed to use resources from the Urban Development Action Grant (UDAG) fund to reimburse the NCS mental health funding used to purchase the property. The purchase payments from Mr. Moreno will reimburse the UDAG fund. There will be a temporary receivable on the account until all payments have been made.

ISSUE:

The City must dispose of City-owned surplus property pursuant to the City's Policy for the Sale/Disposition of City-owned General Government Real Property. If this sale is not approved, the property will continue to be owned by the City and will not be placed back onto the tax rolls and developed.

ALTERNATIVES:

The City could continue to hold title to this property, although this approach would be contrary to the goals outlined in the City Policy for Sale/Disposition of City-owned General Government Real Property.



RECOMMENDATION:

The Neighborhood and Community Services Department recommends Council approve the Declaration of Surplus and execution of a Quit Claim Deed to convey the subject property to Eli Moreno, via negotiated disposition.

FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Sale Proceeds	852400	6411030	\$850,000
TOTAL			\$850,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$850,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No