



City Council Action Memorandum

TO: Elizabeth A. Pauli, City Manager
FROM: Teague Pasco, Senior Real Estate Specialist, Public Works
Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *kk*
COPY: City Council and City Clerk
SUBJECT: Resolution – Surplus of Parcel and Sale with Reservation of Utility Easement to
Four Dogs and Pepper, LLC – June 9, 2020
DATE: May 20, 2020

SUMMARY AND PURPOSE:

A resolution declaring surplus and authorizing the execution of a Quit Claim Deed to convey a parcel of real property identified as Pierce County Tax Parcel No. 9260001022 (City Property) and to retain a utility easement, located between South 67th and South 69th Streets, and South Adams Street and vacated Durango Street, to Four Dogs and Pepper, LLC (FDP). The conveyance is to take place upon approval of the related Street Vacation Ordinance Request No. 20-0327 to vacate a portion of the adjacent alleyway.

BACKGROUND:

FDP requested surplus of the City Property and associated vacation to facilitate contiguous commercial development of three adjacent parcels. Environmental Services does not require fee simple ownership of real estate for operation and maintenance of the sewer main, and instead a utility easement is the current best management practice. The City Property was acquired in 1979 in fee simple. The Public Works Department recommendation is based on direction from the Environmental Services Department that ownership of the City Property is surplus to its needs, together with a survey describing its required utility easement for an existing public storm water, sewer main within the proposed surplus area.

BACKGROUND:

The Public Works Department recommendation is based on direction from the Environmental Services Department that ownership of the City Property is surplus to its needs, together with a survey describing its required utility easement for an existing public storm water, sewer main within the proposed surplus area. FDP requested surplus of the City Property and associated vacation to facilitate contiguous commercial development of three adjacent parcels. The City Property was acquired in 1979 in fee simple. Environmental Services does not require fee simple ownership of real estate for operation and maintenance of the sewer main, and instead a utility easement is the standard property right obtained for sewer facilities.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

A public hearing was held for the associated vacation petition on February 20, 2020, at which members of the community could attend and speak to express their concerns with, and/or support for the proposed street vacation. This associated request for surplus of the City Property was noted as a part of City staff's hearing presentation and materials submitted. No members of the public appeared. The Declaration of Surplus will benefit FDP by allowing the realization of its plan for the more cohesive commercial development of its three parcels. If approved, the Declaration of Surplus will have nominal benefit or effect on the surrounding community, except for the possibility that some employment opportunities may result from the intended commercial development.



City Council Action Memorandum

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The primary positive impact on equity, equality, diversity or inclusion that could result from approving this Declaration of Surplus would be the resulting increase to the available employment opportunities within the City during construction and upon completion of the Petitioner's intended commercial development.

Economy/Workforce: *Equity Index Score: Moderate Opportunity*

Increase the number of diverse livable wage jobs.

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Explain how your legislation will affect the selected indicator(s).

If approved the proposed Declaration of Surplus will allow FDP to complete its intended commercial development, the result of which may end up creating employment opportunities that do not exist at present, both during development, and with the resulting business.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. The Council could approve the Declaration of Surplus request under conditions different than those recommended.	Any positive impacts arising from different conditions would depend on what those conditions are.	Any difference in conditions imposed would have to find justification outside of the City's current position, i.e., of not needing the City Property for any public purpose.
2. The Council could deny the Declaration of Surplus request.	The most positive impacts come from approving the Declaration of Surplus. Denial simply maintains the status quo.	Denial of the Declaration of Surplus simply maintains the status quo, preserving the City's unused (and unneeded) City Property fee simple interest. In addition, the City would have ongoing liability and maintenance obligations and expenditures related to property ownership (example - nuisance abatement for weeds, illegal dumping).



City Council Action Memorandum

EVALUATION AND FOLLOW UP:

The recommended Declaration of Surplus is conditioned on payment of fair market value for the surplus area and a grant of easement as defined by Environmental Services. All evaluations and follow up should be coordinated by the Public Works Department and the Environmental Services Department.

STAFF/SPONSOR RECOMMENDATION:

The Public Works Department recommends Council approve the Declaration of Surplus and Execution of a Quit Claim Deed, pursuant to the City Policy for the Sale/Disposition of City-owned General Government Real Property (Policy). Per this Policy, execution of the deed should be conditioned upon payment of market value and the grant of a 30-foot utility easement as requested by the Environmental Services Department

FISCAL IMPACT:

The exact fiscal impact of this Declaration of Surplus is not known at this time. If the Declaration of Surplus is approved, a fair market appraisal or market rate analysis will be prepared in conjunction with the contiguous street vacation area. When the market value information is available, the estimated revenue from the Declaration of Surplus will be communicated to the City Council by the appropriate City Department. In addition, the property made surplus will be returned private ownership, thereby generating some additional ongoing property tax income.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. General Fund – Property Acquisition and Disposition	CC88200	N/A	TBD
TOTAL			TBD

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

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:

- Map of Surplus Area
- Environmental Services Survey showing utility easement issued on April 24, 2020.