

## City of Tacoma

**TO:** Mayor and City Council

**FROM:** William A. Gaines, Director of Utilities/CEO **COPY:** T.C. Broadnax, City Manager, and City Clerk

**SUBJECT:** Resolution – Set Public Hearing – November 1, 2016

**DATE:** September 28, 2016

#### **SUMMARY:**

To set Tuesday, November 15, 2016, as the date for a Public Hearing regarding the declaration of surplus and negotiated disposition of approximately 0.70 acres of Tacoma Water property for \$560,000.

## STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This request supports the above policy priorities by returning the property to the tax rolls, allowing economic development and operation of the property, and offering the opportunity for public input on this real estate transaction.

## **BACKGROUND:**

The property, located near the intersection of South 58<sup>th</sup> Street and Tacoma Mall Boulevard, was originally purchased in 1920, along with several other acres, via condemnation for the purpose of constructing, operating, and maintaining a reservoir. The property was never developed and was declared surplus via TPU Board Resolution No. U-4222. Most of the original acquisition was located on the west side of Tacoma Mall Boulevard and is now the Wapato Hills Urban Wildlife Habitat.

The remaining undeveloped property, located on the east side of Tacoma Mall Boulevard, contains  $0.70\pm$  acres /  $30,492\pm$  SF, and is zoned C-2, General Community Commercial District. Tacoma Water accepted an offer from Heritage Bank for \$560,000, which is slightly over the appraised value of \$530,000. The bank intends to construct a branch office on the site. The offer is subject to Public Utility Board and City Council approval.

## **ALTERNATIVES:**

The alternatives to declaring the parcel surplus and disposing of it through the negotiated sale disposition process, as allowed under TMC 1.06.280f, are to either retain ownership or to dispose via a bid/sale process. Tacoma Water does not have a need for the property, and if it were to retain ownership there would be continued management and administrative costs. The negotiated disposition process was determined to be the most efficient disposition method, since the bid/sale process is more suited to properties that are difficult to market and/or are not suitable for commercial development.

#### **RECOMMENDATION:**

Tacoma Water and Real Property Services recommend that the City Council set a Public Hearing in accordance with RCW 35.94.040, to be held November 15, 2016 to receive public comment regarding the proposed sale of approximately 0.70 acres of Tacoma Water real property located in Tacoma, WA. Once the Public Hearing has been conducted, a separate request will be presented to the City Council for the approval of the negotiated disposition and conveyance of the real property.



## **FISCAL IMPACT:**

# **REVENUES:**

| FUNDING SOURCE                                      | COST OBJECT<br>(CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT  |
|---|-------------------------------|--------------|---|
| Water Capital Reserve Fund 4600-<br>CAPTL GL6411030 | 587501                        |              | Approximately \$530,000 (purchase price less transactional costs) |
|   |                               |              |   |
| TOTAL   |                               |              | \$530,000   |

# FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$-0-

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No; this revenue opportunity developed after the most recent budget approvals.