



**TO:** Mayor and City Council  
**FROM:** William A. Gaines, Director of Utilities/CEO *WAG*  
**COPY:** T.C. Broadnax, City Manager and City Clerk  
**SUBJECT:** Resolution – Bid-Sale Disposition of Tacoma Public Utilities, Water Division Real Property – December 1, 2015 *WAG*  
**DATE:** November 9, 2015

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**SUMMARY:**

This memorandum provides information for the proposed sale of approximately 0.63 of an acre of surplus land located at 7704 6<sup>th</sup> Avenue in Tacoma, to Mr. David Sizemore for \$35,101. Real Property Services is requesting the City Council authorize this real property disposition via the public bid process.

**STRATEGIC POLICY PRIORITY:**

- Foster neighborhood, community, and economic development vitality and sustainability.

This transaction fosters neighborhood, community, and economic development vitality and sustainability by allowing this surplus city property to be put to its highest and best use, which is for residential occupancy.

**BACKGROUND:**

This property is an irregular shaped parcel that has no legal physical access. It was originally acquired by the City’s Public Works Department for storm drainage in 1956, prior to Tacoma Water’s acquisition in 1959 for a low service reservoir. Tacoma Water never developed this reservoir nor put this property into operational use and, in 2013 an abutting property owner submitted an offer to purchase via the negotiated disposition process for \$22,500.

Tacoma Water accepted that offer and the Public Utility Board approved the sale, as well as the declaration to surplus the property with resolution number U-10664 in October 2013. A public hearing was scheduled for November, 2013 and prior to that hearing other abutting neighbors raised concerns about the negotiated disposition process. It was determined at that time to postpone the hearing and review the proposed process.

Since then, a request for bids was published in the Tacoma Daily Index, on the City’s website, and sent to the abutting property owners. One bid was received, from Mr. Sizemore, who was also the potential purchaser in 2013. This bid was for slightly over the appraised value, at \$35,101. The Public Utility Board approved this transaction on October 14, 2015, and a public hearing was held on November 10, 2015.

**ALTERNATIVES:**

The alternatives to selling this property and using the bid-sale process are to either retain ownership or to dispose via a negotiated disposition process. Tacoma Water does not have a need for the property and does not have legal access rights so retaining ownership will result in continued and unnecessary risk exposure and maintenance costs. Since the property could be used by any of the abutting neighbors, the bid-sale disposition process is the most appropriate.



**RECOMMENDATION:**

Tacoma Water and Real Property Services recommend that the City Council authorize this disposition of approximately 0.63 of an acre of unimproved property in Tacoma, to the adjoining property owner. The property will be sold AS-IS for \$35,101.

**FISCAL IMPACT:**

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Water Capital Reserve Fund 4600-CAPTL GL6411030	587501		\$35,101
<b>TOTAL</b>			<b>\$35,101</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No. This revenue opportunity developed after Fretoc, LLC approached the City.

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**