



**TO:** Mayor and City Council  
**FROM:** Linda McCrea, Interim Director of Utilities/CEO  
**COPY:** Elizabeth Pauli, City Manager, and City Clerk  
**SUBJECT:** Resolution – Set Public Hearing – June 26, 2018  
**DATE:** June 1, 2018

**SUMMARY:**

To set Tuesday, July 17, 2018, as the date for a Public Hearing regarding the sale of approximately 2.16 acres of Tacoma Water property for \$200,000.

**STRATEGIC POLICY PRIORITY:**

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- 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 for economic development, and offering the opportunity for public input on this real estate transaction.

**BACKGROUND:**

This parcel was part of Tacoma Water’s 2002 acquisition of the South East Tacoma Mutual Water Company (“SET Mutual”). The site has remained vacant since that time. The property is zoned SF, Single Family residential, as part of the Parkland-Spanaway-Midland Communities Plan by Pierce County. As the property was not essential to Tacoma Water’s needs, it was declared surplus in 2002. In April 2016 the property was offered for sale via a seal-bid process. Although it had been advertised with a minimum bid set at the appraised value of \$260,000, no bids were received. The property has been continuously advertised on the City’s surplus website, and it was listed with a real estate broker and signage place on site in January 2017. Although there have been multiple inquiries, no other party made an offer, with uniform feedback that the listing price was too high, due primarily to offsite development costs such as utility extensions and road improvements. The parties have agreed to a consideration to Tacoma Water of \$200,000, which we believe reflects the current fair market value of the property. Mr. Chum intends to develop the property with one or more single family residences. The sale is subject to both Public Utility Board and City Council approval. The terms and conditions of the purchase and sale agreement have been reviewed by the City Attorney’s Office and approved by Real Property Services. If approved, the sale is expected to close by August, 2018.

**ALTERNATIVES:**

The alternatives to disposing of the property through a negotiated disposition, 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 continued fee ownership of the property, and if it were to retain ownership there would be continued management and administrative costs. A negotiated disposition has been determined to be the most efficient and effective disposition process since the 2016 formal bid/sale process was unsuccessful and generated no bids.

**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 July 17, 2018 to receive public comment regarding the proposed sale of approximately 2.16 acres of Tacoma Water real property located in unincorporated Pierce County, WA. Once the Public Hearing has been conducted, a separate request will be presented to the City Council for the approval of the sale and conveyance of the real property.

**FISCAL IMPACT:** There is no fiscal impact to setting this public hearing.