



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

Date: April 28, 2014

To: William A. Gaines, Director/CEO

From: Theodore C. Coates, Power Superintendent/COO.

Subject: Conveyance of Tacoma Power surplus property to Mr. David Filla
Located in Lewis County, Washington

Recommendation: Tacoma Power requests your approval to convey approximately 13.06 acres, located off of Howe Road in Lewis County, to Mr. David Filla for \$160,515.00.

Background: In July of 2011 Tacoma Power purchased approximately 73 acres of property from Mr. Filla. This acquisition was completed in accordance with the requirement of our FERC License Number 2016 (Cowlitz River Hydroelectric Project) that Tacoma Power protect, restore, and/or enhance certain fish habitat within the lower Cowlitz River drainage.

At the time of purchase, Mr. Filla was not able to exclude the subject 13.06 acres from the sale. However he has since completed a survey to facilitate a boundary line adjustment which would place this portion back into his ownership. Tacoma Power has agreed to this disposition, as they have concluded that they can proceed with their habitat management activities without this property.

The fair market value of \$160,515 was based on the original acquisition cost and has been confirmed with recent market data. Tacoma Power, Real Property Services, and the City's Legal department have reviewed and approved the proposed purchase and sale agreement. Real Property Services will ensure that no other City departments have a use for this property prior to the final disposition.

Schedule: Upon approval from the Public Utility Board, Real Property Services will hold a public hearing, in accordance with Washington State law, and seek final approval for this transaction from Tacoma City Council. If approved, the transaction will be completed by August, 2014. Proceeds from the sale of this property will be returned to the Fish Habitat Fund that was originally established in accordance with the FERC License.

Thank you for your consideration of this request. I would be happy to meet with you to go over this matter in more detail.