



TO: T.C. Broadnax, City Manager
FROM: Maureen Barnes, Real Estate Officer TPU, Department of Public Works
William A. Gaines, Director of Utilities/CEO
COPY: City Council and City Clerk
SUBJECT: Resolution – Set Public Hearing – November 5, 2013
DATE: October 10, 2013

SUMMARY:

To Set Tuesday, November 19, 2013, as the date for a Public Hearing in order to declare surplus and approve the negotiated sale of a small parcel of Tacoma Water owned property to an abutting neighbor, David A. Sizemore.

BACKGROUND:

In 1965 Tacoma Water acquired a 0.63 acre (27,499 sq. ft.) parcel from the City of Tacoma, Public Works Department. The parcel is located at 7704 6th Avenue, Tacoma, Washington, and is also known as Pierce County Assessor's Parcel Number 6235000040. The site was originally purchased in order to construct a low service reservoir in the vicinity of 6th and Jackson Avenues in North Tacoma, which would have had sufficient capacity to provide for predicted area growth. The anticipated low impact reservoir system was never developed and the parcel has not been utilized for Tacoma Water operations.

The parcel is triangular in shape and has no augmenting easement which would allow legal access for ingress, egress or utilities, thereby rendering the parcel landlocked. A Purchase and Sale Agreement has been negotiated with an abutting owner, David A. Sizemore, to purchase the property at the mutually agreed upon price of \$22,500. The property will be conveyed via a Quit Claim Deed and the Buyer will pay any and all fees associated with the transaction.

It has been determined that there is no foreseeable need for continued ownership of the subject property and a negotiated sale would be in the best interests of the City of Tacoma and Tacoma Water. This action was approved by the Public Utility Board on October 23, 2013. Additionally, notice of the surplus action and upcoming sale were sent both internally and externally to interested parties and governmental entities and owners and residents located within a 300 foot radius of the parcel.

ISSUE:

Tacoma Water would like to sell surplus land-locked property to a neighbor by negotiated disposition. Presumably, the property could also be sold separately via a competitive bid-sale or Request for Proposal process.

ALTERNATIVES:

The alternatives to declaring the parcel surplus and disposing of it through a negotiated disposition are to either retain ownership or to dispose via a bid-sale or Request for Proposal process. Neither Tacoma Water, nor any other City department, has a need for the property so retaining ownership will result in continued and unnecessary risk exposure and maintenance costs. Since there is not a viable means of ingress and egress with the property the pool of potential purchasers is vastly diminished, and therefore a negotiated disposition with an abutting owner is the most efficient disposition method.



RECOMMENDATION:

It has been determined that there is no foreseeable need for continued ownership of the subject property and a negotiated sale would be in the best interests of the City of Tacoma and Tacoma Water.

FISCAL IMPACT:

If you are making a commitment on the City’s behalf to receive or expend funds, then the fiscal impact section should be completed. If this does not apply, enter “There is no fiscal impact” and delete everything below this line. If you are unsure, please contact the Budget Office. If the action is to accept a donation, you do not need to complete the fiscal impact section, just note the estimated value of the donation in the background section.

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Capital Reserve Fund – 4600 CAPTL	587501		\$22,500
TOTAL			\$22,500

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

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

Explain how expenditures are to be covered and if budget modifications are required.