



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 – October 27, 2015
DATE: October 9, 2015

SUMMARY:

Set Tuesday, November 10, 2015, as the date for a Public Hearing in order to declare surplus and approve the negotiated sale of approximately 0.36 of an acre of surplus land located at the intersection of Military Road and Canyon Road SE, in Pierce County, to WGW, Inc. for \$63,193.00

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This request supports the strategic policy priority noted above by allowing for public input on this real estate transaction.

BACKGROUND:

The proposed surplus property is a 30 foot strip located along a portion of the southern boundary of a larger, 32.5 acre, parcel that is owned by Tacoma Power. WGW, Inc. owns the adjacent parcel and has proposed installing a road between the properties that would subsequently be deeded to Pierce County as a public right-of-way. This new road would be an extension of Military Road from the East side of Canyon Road, and would be built to Pierce County standards.

In 2010, the City, in anticipation of the Military Road extension and at the request of Tacoma Power, conveyed a small area of property for a traffic signal at this intersection. WGW, Inc. intends on developing their property in the near future, and therefore has requested to purchase that portion of Tacoma Power property that was intended for this road in order to proceed with development.

Tacoma Power has determined that there is no foreseeable need for continued ownership of this property, and that its current operations are not impacted by this transaction. However, Tacoma Power will retain an easement on this property for future ingress and egress. This transaction was approved by the Public Utility Board on October 14, 2015.

ISSUE:

RCW 35.04.040 requires that a public hearing be held whenever lands originally acquired for public utility purposes are determined to be surplus to the city's needs and are not required for providing continued public utility services.

ALTERNATIVES:

The alternatives to declaring this property surplus and disposing of it through the negotiated sale disposition process are to either retain ownership or to dispose via a bid/sale or Request for Proposal process. Tacoma Power does not have a need for the property and the proposed transaction allows it to be put to a higher and better use that will ultimately benefit Tacoma Power. Since the property is adjacent to WGW, Inc. and is not a viable legal parcel, a bid/sale or Request for Proposal process would not be feasible.



RECOMMENDATION:

Tacoma Power recommends that the City Council set a public hearing to be held November 10, 2015 to receive public comment regarding the proposed sale of 0.36 of an acre in Pierce County Washington.

Once the Public Hearing has been conducted, a separate request will be presented to City Council for the approval of the negotiated disposition and conveyance of real property from the City of Tacoma to WGW, Inc.

FISCAL IMPACT:

REVENUES:

| FUNDING SOURCE | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|-------------------------------|-------------------------------|--------------|--------------|
| Power Superintended Fund 4700 | 56100 | | \$61,000 |
| | | | |
| | | | |
| TOTAL | | | |

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No. This revenue opportunity developed during discussions with WGW, LLC.