



TO: Mayor and City Council
FROM: Jackie Flowers, Director of Utilities
COPY: Elizabeth Pauli, City Manager, and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Sale of Tacoma Public Utilities, Light Division Real Property – October 9, 2018
DATE: August 23, 2018

SUMMARY: To set Tuesday, October 23, 2018 as the date for a Public Hearing regarding the declaration of surplus and sale of approximately 1.65 acres of Tacoma Power property for \$12,000.00 to Todd and Zana Layland.

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 allowing economic development, and offering the opportunity for public input on this real estate transaction.

BACKGROUND: The sale property – identified as a portion of Pierce County Assessor Tax Parcel No. 0317271011, located southerly of SR 702 at Kinsman Road E in the Graham – Eatonville vicinity of unincorporated Pierce County, WA - is currently used for electrical distribution. However, it is encumbered by a County road. This transaction will allow legal access to the Layland property for development of a two-lot residential short plat. As the Laylands develop the property, the sale property will be dedicated to Pierce County for continued use of the public road while Tacoma Power retains its easement therein. Operational needs can be met through permanent easement rights alone as included in this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. The parties have agreed to a consideration to Tacoma Power of \$12,000.00; this figure takes into consideration the reservation of an easement to Tacoma Power for continued operations. 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 Tacoma Power and Real Property Services.

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 sell via a bid/sale process. Tacoma Power 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 method as the most likely purchaser is the abutter and the property would likely not appeal to most other market participants, thus the bid/sale process would not likely be successful.

RECOMMENDATION: Tacoma Power and Real Property Services recommend that the City Council set a Public Hearing in accordance with RCW 35.94.40, to be held October 23, 2018 to receive public comment regarding the proposed declaration of surplus and sale of approximately 1.65 acres of Tacoma Power property to Todd and Zana Layland for \$12,000.00. Once the Public Hearing has been held, a separate request will be presented to the City Council for the declaration of surplus and approval of the sale and conveyance of the real property.

FISCAL IMPACT: There is no fiscal impact to setting this Public Hearing.