



**TO:** Mayor and City Council  
**FROM:** William A. Gaines, Director of Utilities/CEO  
**COPY:** T.C. Broadnax, City Manager and City Clerk  
**SUBJECT:** Resolution – Bid-Sale Disposition of Tacoma Public Utilities, Water Division Real Property – August 30, 2016  
**DATE:** August 17, 2016

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**SUMMARY:**

This memorandum provides information for the proposed sale of approximately .89 of an acre of surplus land located with the City of Tacoma to the Tacoma School District for \$5,000 and other public benefit. Real Property Services is requesting the City Council authorize this real property disposition via the negotiated disposition process.

**STRATEGIC POLICY PRIORITY:**

- Encourage thriving residents with abundant opportunities for life-long learning.
- Assure outstanding stewardship of the natural and built environment.

This transaction supports the above policy priorities by allowing for the maximum public use of surplus utility property.

**BACKGROUND:**

Tacoma School District (TSD) owns two parcels that are bifurcated by a portion of Tacoma Water’s property. These parcels contain the facilities for TSD’s Arlington Elementary School, which has been using some of the area for portables, playfields, and occasional parking since 1953. In addition to the occupancy by the school, the property also contains the Water Flume Line Trail.

Tacoma Water has not used this property for several years and recently TSD approached Tacoma Water to request a permanent occupancy of the property since it was remodeling the school. Subsequently, both parties agreed that TSD could purchase the property for \$5,000 and the installation of a rain garden which would provide educational opportunities for both students and the general community for several years to come. The City will reserve an easement to allow for the continued operation of the trail.

A public hearing on this transaction was held on August 16, 2016 and no public comments were received.

**ALTERNATIVES:**

The alternatives to declaring the parcel surplus and disposing of it through the negotiated sale disposition process are to either retain ownership or to dispose via a bid/sale process. Tacoma Water does not have a need for the property and if it were to retain ownership there would be continued management and administration costs due to the school and trail uses. Because this property runs between two TSD parcels and the City needs to retain the trail easement, transferring it to TSD via a negotiated sale is the most efficient transactional process.



**RECOMMENDATION:**

Tacoma Water and Real Property Services recommend that the City Council authorize this disposition of approximately 0.89 of an acre of unimproved property in Tacoma, to the adjoining property owner, Tacoma School District. The property will be sold AS-IS for \$5,000 and other community benefits.

**FISCAL IMPACT:**

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Water Capital Reserve Fund 4600-CAPTL GL6411030	587501		\$4,500 (purchase price less transactional costs)
<b>TOTAL</b>			<b>\$4,500</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No. This revenue opportunity developed after Tacoma School District approached the City.

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