



TO: Elizabeth A. Pauli, City Manager
FROM: Michael San Soucie, Treasury Manager, Finance Department – City Treasurer’s Office
Andy Cherullo, Finance Director, Finance Department
COPY: City Council and City Clerk
SUBJECT: Resolution for Point Ruston LID’s Merger and Segregation
DATE: June 14, 2022

SUMMARY AND PURPOSE:

The Finance Department - City Treasurer’s Office, requests approval for a merger and segregation request related to five Local Improvement Districts (LIDs) at Point Ruston. Staff in both the Finance Department-City Treasurer’s Office and Public Works have reviewed the request and are prepared to perform the merger and segregation.

Specifically, Point Ruston Rainier Building LLC requested the merger and segregation of five LIDs (LIDs 3967, 5728, 6980, 7726 and 8656). The request is to merge Parcels ‘I’ and ‘K’, Boundary Line Adjustment Number MPD2013-40000203741 recorded under the Pierce County Auditor’s Number 201308195003 and to perform a segregation of the assessments for the Rainier Building Residential Condominium within the Point Ruston development.

BACKGROUND:

LIDs 3967, 5728, 6980, 7726, and 8656 were established with the adoption of City Council Ordinances No. 27900, 27987, 27988, 27989, and 27991. Point Ruston LLC has remediated and developed the property with a combination of residential housing and parking units.

The Rainier Building Condominium is a condo development on the property. Point Ruston Rainier Building LLC has requested a merger and segregation to reflect the newly constructed units within the Rainier Building Condominiums constructed on Lots 6 and 7, Boundary Line Adjustment Number MPD2013-40000203741 recorded under the Pierce County Auditor’s Number 201308195003. The assessments are being allocated to units 101 through 831 of Unit 3 of the Rainier Building Master Condominium being subdivided into 201 residential units, referred, and known as the Rainier Building Residential Condominium.

Point Ruston Rainier Building LLC has paid the initial fee for estimated expenses associated with the merger and segregation.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The Point Ruston Rainier Building LLC has requested a merger and segregation of the assessments related to LIDs 3967, 5728, 6980, 7726, and 8656. This will allow owners of the individual residential units to be in control of their assessments allocated to their property.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

Performing the merger and segregation aligns with our strategic policy to foster neighborhood, community, and economic development vitality and sustainability.



Economy/Workforce: Increase positive public perception related to the Tacoma economy.

Explain how your legislation will affect the selected indicator(s).

Allowing owners of the new condos to manage their own assessments and when to pay them creates a living environment that encourages people to purchase these new units.

ALTERNATIVES:

The alternative to performing the merger and segregation is to leave the assessments as they are. This would require the developer to pay the total assessments due on the parcels without the City dispersing the assessments to the new owners. The owners would then be at risk of losing their homes if the developer failed to pay the assessments. This alternative is not preferred.

STAFF/SPONSOR RECOMMENDATION:

The Finance Department, City Treasurer’s Office, recommends approval of the merger and segregation for LIDs 3967, 5728, 6980, 7726, and 8656. This has been requested by the Point Ruston Rainier Building LLC, reviewed by City staff, and addresses the issue of dividing the assessments. This action meets our strategic policy priority of fostering neighborhood, community, and economic development vitality and sustainability. Expenses associated with this action are funded by the Point Ruston Rainier Building LLC.

FISCAL IMPACT:

| Fund Number & Name | COST OBJECT (CC/WBS/ORDER) | Cost Element | Total Amount |
|----------------------|-------------------------------|--------------|--------------|
| 1.5800-FIN – Finance | 598507 | 5195000 | \$23,047.91 |
| 2.5800-FIN – Finance | 598507 | 4339000 | \$23,047.91 |
| TOTAL | | | |



City of Tacoma

City Council Action Memorandum

What Funding is being used to support the expense?

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

The Point Ruston Rainier Building LLC will be funding the merger and segregation expense.

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

List attachments using bullet points.