



TO: T.C. Broadnax, City Manager
FROM: Troy Stevens, Real Estate Officer TPU, Department of Public Works
William A. Gaines, Director of Utilities/CEO
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Negotiated Disposition of Tacoma Public Utilities, Power Division real property – October 28, 2014
DATE: October 7, 2014

SUMMARY:

This memorandum provides information on the proposed conveyance of approximately 3.2 acres of real property by the City of Tacoma, Department of Public Utilities, Power Division (“Tacoma Power”) to the adjacent property owner, Skokomish Tribe, (“Tribe”) in exchange for perpetual hatchery rights. Real Property Services is requesting the City Council to authorize a declaration of surplus and negotiated disposition of this property in fee simple to the Tribe.

STRATEGIC POLICY PRIORITY:

- Foster neighborhood, community, and economic development vitality and sustainability.

This transaction fosters neighborhood, community, and economic development vitality and sustainability by connecting the tidelands to the Saltwater Park uplands, resulting in continuity of ownership and the highest and best use for both parcels.

BACKGROUND:

In December 2008, the City of Tacoma entered into a Settlement Agreement with the Tribe, as part of the Cushman Project relicensing requirements. As part of the settlement, real estate was conveyed to the Tribe, including a portion of the area commonly known as ‘Saltwater Park’, which is located on Hood Canal. The tidelands in front of the park were not conveyed at that time and neither was the southernmost part of the park, which was retained to construct a hatchery. Since then, Tacoma Power has determined it needs to use other Tribe property and has agreed to convey the tidelands to the Tribe in exchange for this perpetual use.

Since the Tribe owns the adjacent waterfront property, the conveyance of the additional tidelands will ensure consistent ownership. Tacoma Power will retain the area where the Cushman No. 2 tailrace enters the canal and therefore its operations will not be negatively impacted.

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. This action was approved by the Public Utility Board on September 24, 2014.

Tacoma City Council held a Public Hearing on October 14, 2014, as required by State law to allow the public to comment on the proposed sale of utility property. No comments or objections were received during that hearing.

ALTERNATIVES:

The alternatives to declaring the parcel surplus and conveying it to the Tribe would be to retain ownership or convey it to someone else. Tacoma Power does not need the property, so



retaining ownership will result in continued and unnecessary risk exposure and maintenance costs; and, since the property is adjacent to other Tribe property and the Tribe has additional property that is needed for Tacoma Power operations, selling to someone else would not be in the best interest of Tacoma Power.

RECOMMENDATION:

Tacoma Power and Real Property Services recommend that the City Council authorize the declaration of surplus and negotiated disposition of approximately 3.2 acres of surplus property in Mason County, Washington, to the adjoining property owner.

FISCAL IMPACT: N/A