



TO: Mayor and City Council
FROM: Jackie Flowers, Director of Utilities
COPY: Elizabeth Pauli, City Manager, and City Clerk
SUBJECT: Resolution – Disposition of Tacoma Public Utilities, Light Division Real Property – November 6, 2018
DATE: October 17, 2018

SUMMARY:

This memorandum provides information for the proposed sale of approximately 1.65 acres of land located within unincorporated Pierce County to Todd and Zana Layland for \$12,000.00. Real Property Services is requesting the City Council declare surplus and authorize this real property disposition.

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 Tacoma Power’s continued use, and offering the opportunity for public input on this real estate transaction.

BACKGROUND:

The sale property – identified as 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, a portion of 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 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. The sale is subject to both Public Utility Board and City Council approval. The Public Utility Board approved the sale on September 26, 2018.

A public hearing on this transaction was held on October 23, 2018 with no comments received.

ALTERNATIVES:

The alternatives to disposing of the property through the negotiated disposition process, as allowed under TMC 1.06.280f, are to either retain ownership or to dispose 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. The negotiated disposition process was determined to be the most efficient disposition method, as the most likely purchaser is the abutter and the property would likely not appeal to 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 declare surplus and authorize this disposition of approximately 1.65 acres of property to Todd and Zana Layland. The property will be sold for \$12,000.00 with an easement reserved for current and future operations.

FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
GL 6411030	CC 561100	N/A	Approximately \$11,500.00 (purchase price less transaction costs)
TOTAL			\$12,000.00

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$-0-

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.