



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Sale of Tacoma Power Real Property – City Council Agenda for April 9, 2024
DATE: March 22, 2024

SUMMARY AND PURPOSE:

This memorandum provides information for the proposed no-cost transfer of approximately 13,000 square feet of Tacoma Power vacant property located at 1801 North Orchard Street, identified as Pierce County Assessor Tax Parcel No. 7475022110, to Tacoma/Pierce County Habitat For Humanity for the development of Affordable Housing. Pursuant to Resolution No. U-11446 adopted March 13, 2024, the Public Utility Board requests the City Council declare surplus and authorize this real property sale.

BACKGROUND:

This Department’s Recommendation is based on the following: The property is in an urban location in Tacoma and was formerly improved with Tacoma Power’s Downing Substation. As part of a package of decommissioned substation properties, this former substation site was previously declared surplus in 2009 by the TPU Board and Council. However, it failed to sell through a sealed-bid process. This sale follows the process provided in the TPU Surplus Real Property Disposition Policy #121 adopted in 2020. The property was identified as potential for Affordable Housing in furtherance of the City’s affordable housing initiatives under RCW 39.33.015, a new surplus declaration was signed in 2020, and it was included in an RFP in 2021. As it is an in-City property, it was also offered to the Puyallup Tribe. The only party who expressed an interest in the property was Tacoma/Pierce County Habitat For Humanity who will develop the property as Affordable Housing in accordance with the attached Development Agreement. The sale documents were reviewed by the City Attorney’s Office and approved by Tacoma Power management and Real Property Services, and this surplus disposition was approved by the Public Utility Board via Resolution No. U-11446 adopted March 13, 2024. A Public Hearing was held before City Council on April 2, 2024.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

This sale has been vetted by Tacoma Public Utilities management. Efforts were made to engage the community and partners through providing an RFP for Affordable Housing and engagement with the Puyallup Tribe. All abutting property owners were notified of the sale, a public hearing notice was published and the public hearing held as required by state law. No further community engagement efforts were identified and no potential impacts are foreseen to the local community.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Combining the value indices of Livability, Accessibility, Economy, Environmental Health and Education, the sale property is located in a Very High Equity Index neighborhood. The sale will allow continued development of the local community, which provides housing, educational, employment, and recreational opportunities in line with state-mandated Growth Management policies and City of Tacoma planning goals and development regulations.



Economy/Workforce: *Equity Index Score:* Very High Opportunity

Increase the percentage of people relocating to the city and affordability of housing compared to neighboring jurisdictions.

Livability: *Equity Index Score:* Very High Opportunity

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Retain property	None.	Costs for maintenance and liability.

EVALUATION AND FOLLOW UP:

The City’s Department of Community and Economic Development will provide on-going oversight to ensure compliance with the Development Agreement and Affordable Housing requirements.

STAFF/SPONSOR RECOMMENDATION:

The Public Utility Board requests that the City Council declare surplus and authorize the no-cost transfer of approximately 13,000 square feet of Tacoma Power vacant property located at 1801 North Orchard Street, identified as Pierce County Assessor Tax Parcel No. 7475022110, to Tacoma/Pierce County Habitat For Humanity for the development of Affordable Housing.

FISCAL IMPACT:

There is no fiscal impact to this no-cost surplus sale.

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:

Sale Property Location Map