



**TO:** Mayor and City Council  
**FROM:** William A. Gaines, Director of Utilities/CEO  
**COPY:** Elizabeth Pauli, City Manager, and City Clerk  
**SUBJECT:** Resolution – Set Public Hearing – August 15, 2017  
**DATE:** July 26, 2017

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**SUMMARY:**

To set Tuesday, August 29, 2017, as the date for a Public Hearing regarding the sale of approximately 0.30 acres (or approximately 13,000 SF) of Tacoma Water property for \$160,000.

**STRATEGIC POLICY PRIORITY:**

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.
- 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 returning the property to the tax rolls, allowing economic development and operation of the property, and offering the opportunity for public input on this real estate transaction.

**BACKGROUND:**

This former well site was part of Tacoma Water’s 2001 acquisition of the Hyada Mutual Service Company. The well was decommissioned soon after purchase and the site has remained vacant since that time. The property is zoned SF, Single Family residential, as part of the Browns Point/Dash Point Community Plan by Pierce County. As the property was not essential to Tacoma Water’s needs, it was declared surplus in 2002. In July 2008 the property was offered for sale via a sealed bid process and the Public Utility Board declined to sell the property due to market conditions. Another sealed bid process was conducted in March 2015 and no bids were received. The property has been continuously listed on the City’s surplus website and was listed with a real estate broker in January 2017 for the appraised value of \$160,000.

Tacoma Water has accepted an offer from Mr. and Mrs. Norton for \$160,000. The Nortons intend to develop and occupy a single family residence on the property. The offer is subject to both Public Utility Board and City Council approval. The sale proceeds will be used to offset the historical costs incurred to replace and upgrade the infrastructure included in the 2001 acquisition.

The terms and conditions of the purchase and sale agreement have been approved by Tacoma Water and Real Property Services and reviewed by the City’s Legal Department.



**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 Water does not have a need for 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, since the bid/sale process was not successful in two previous attempts for this property.

**RECOMMENDATION:**

Tacoma Water and Real Property Services recommend that the City Council set a Public Hearing in accordance with RCW 35.94.040, to be held August 29, 2017 to receive public comment regarding the proposed sale of approximately 0.30 acres of Tacoma Water real property located in unincorporated Pierce County, WA. Once the Public Hearing has been conducted, a separate request will be presented to the City Council for the approval of the sale and conveyance of the real property.

**FISCAL IMPACT:**

There is no fiscal impact to setting this public hearing.