



RESOLUTION NO. U-11541

1 A RESOLUTION related to the Department of Public Utilities, Beltline Division,
2 declaring approximately 15.25 acres of certain utility-owned real property
3 surplus and authorizing a five-year lease of said property to the
4 Northwest Seaport Alliance, a licensee/agent of the Port of Tacoma.

5 WHEREAS the City of Tacoma, Department of Public Utilities, Beltline
6 Division ("Tacoma Rail") requests the Public Utility Board to declare surplus
7 and authorize the five-year lease, commencing on September 1, 2025,
8 approximately 15.25 acres of Tacoma Rail land, identified as 1738 Milwaukee
9 Way, in Tacoma, Washington (the "Lease Property"), to the Northwest Seaport
10 Alliance, a licensee/agent of the Port of Tacoma for \$100,000 per month, plus
11 8% for operating cost recovery and annual CPI adjustments for intermodal
12 facility, and

13 WHEREAS the Lease Property is located within the Tacoma Tideflats
14 and was originally acquired in 1944, for the purpose of making certain
15 betterments and extensions of the Municipal Belt Line Railway System, and

16 WHEREAS in 1985, the City Council and Public Utility Board determined
17 that certain property that included the Lease Property was no longer required
18 for continued public utility service, for a limited extent and duration, and
19 therefore approved a 41-year (31-years with two five-year extensions) lease to
20 the Port of Tacoma, which expires in 2025, and

21 WHEREAS Tacoma Rail has negotiated a proposed lease agreement for
22 the Lease Property with a lease price of \$100,000 per month, plus 8% for
23 operating cost recovery and annual CPI adjustments, which is considered within
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the range of fair market value and as determined by a third-party appraiser (the
1 Proposed Lease Agreement, and

2 WHEREAS the Proposed Lease Agreement is subject to both Public
3 Utility Board and City Council approval, and

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5 WHEREAS the Proposed Lease Agreement was reviewed by the City
6 Attorney's Office and approved by Tacoma Rail management and Real
7 Property Services, and

8 WHEREAS upon approval by the Board, a separate request will be made
9 to the City Council to hold a Public Hearing to be followed by Final Approval on
10 the Proposed Lease Agreement; and

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12 WHEREAS the Director of Utilities, in coordination with Tacoma Rail, has
13 determined that the property is no longer required for continued public utility
14 service and has deemed the Property surplus to Tacoma Rail's needs pursuant
15 to RCW 35.94.040 and TMC 1.06.280f, but only to the extent and duration of
16 the Proposed Lease Agreement; Now, Therefore,

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18 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

19 Sec. 1. That approximately 15.25 acres of property generally identified
20 as 1738 Milwaukee Way, in Tacoma, Washington, and as more specifically
21 described in the proposed lease agreement on file with the Clerk of the Board
22 (the "Lease Property" and the "Proposed Lease Agreement", respectively), is no
23 longer required for continued public utility service and is declared surplus to
24 Tacoma Rail's needs, but only to the extent of, and for the duration of, the
25 Proposed Lease Agreement.
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1 Sec. 2. That it is in the best interests of the City of Tacoma to approve
2 the Proposed Lease Agreement with the Northwest Seaport Alliance, a
3 licensee/agent of the Port of Tacoma.

4 Sec. 3. That the City Council is requested to hold a public hearing on this
5 matter pursuant to RCW 35.94.040, and thereafter approve this recommended
6 Proposed Lease Agreement and authorize the proper officers of the City of
7 Tacoma to execute all necessary documents, substantially in the same form as
8 on file with the Clerk of the Board and as approved by the City Attorney's Office.

9 Approved as to form:

10 _____/s/_____
11 Chief Deputy City Attorney

12 _____
13 Clerk

14 _____
15 Chair
16 _____
17 Secretary

18 Adopted 7-9-25