



**TO:** T.C. Broadnax, City Manager  
**FROM:** Michael P. Slevin III, P.E., Environmental Services Director  
Justin E. Davis, Division Manager, Facilities Management  
Richard Price, Senior Real Estate Officer, Real Property Services  
**COPY:** City Council and City Clerk  
**SUBJECT:** Council Action Memo – Request for Resolution  
Surplus sale of 3515 Alder Way, Pierce County Parcel No. 8945003271, to Ian  
and Young-Ye Costello – August 25, 2015  
**DATE:** August 5, 2015

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**SUMMARY:**

Real Property Services, representing the Environmental Services Department, requests City Council authorize the Declaration of Surplus, execution of Purchase and Sale Agreement and Quit Claim Deed to convey a 4,000 square foot City parcel at 3515 Alder Way to Ian and Yong-Ye Costello for \$6,141.00. This property is classified as a Tier 3 Open Space property pursuant to the Policy for the Sale/Disposition of City-owned General Government Real Property.

**STRATEGIC POLICY PRIORITY:**

- 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.

**BACKGROUND:**

In 2005, the City purchased the subject 4,000 square foot property at the request of Council to facilitate a restoration effort in Puget Creek by the Puget Creek Restoration Society (PCRS). Since the time of purchase, PCRS has been unable to move the project beyond a conceptual phase. Over the last several years, City staff has been contacted by the abutting owner who requested to purchase the parcel from the City. In November of 2013, PCRS objected to this potential surplus sale and requested additional time for project development. Therefore, City staff offered PCRS until July of 2014 to establish project viability to specifically include: feasibility/constructability study, written support from funding agencies, written support from BNSF to grant the necessary property rights and a fully developed set of engineering plans. On January 21, 2014, the City hand delivered a letter outlining the requirements for the City to continue to hold this property exclusively for the PCRS project. PCRS was required to submit all documents no later than July 24, 2014.

PCRS submitted preliminary draft documentation by the deadline, but was not able to provide the required documentation showing guaranteed project funding or the likelihood of receiving funding for this project. PCRS did inform the City that it had applied for grant funding, but PCRS was not able to submit evidence of any grants being awarded. In addition, it did not obtain the required property rights to construct on BNSF operating right of way, and did it not submit developed engineering plans detailing the proposed construction. City Staff reviewed the submitted material and determined this property has low habit benefit with questionable long term viability. It was staff's opinion this project proposal was not sustainable and recommended moving forward with the surplus sale request to the abutting owner.



Earlier this year, the City and the abutting property owners, Ian and Yong-Ye Costello, signed a Purchase and Sale Agreement for the property. As part of the Agreement, the Costello's committed to dedicating 723 square foot area back to the City for additional right of way for Alder Street that can be used as a buffer to the open channel.

**ISSUE:**

Real Property Services is requesting authorization to sell the proposed surplus property to the abutting owner. The PCRS does not support the sale. City Departments have no objections to the surplus action.

**ALTERNATIVES:**

The City could retain the parcel; but Environmental Services has determined the parcel does not meet its Open Space criteria for retention. Selling the property also puts it back on the tax rolls and cures the known encroachments. Also, with the 723 square foot dedication for right of way, the existing fish ladder will remain in the public right of way.

**RECOMMENDATION:**

Real Property Services recommends the City sell 3515 Alder Way to Ian and Yong-Ye Costello.



**FISCAL IMPACT:**

**\*\*EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Open Space Fund	TED-00002-01	5621100	\$500.00
1100 PROP	29600		\$5,641.00
<b>TOTAL</b>			<b>\$6,141.00</b>

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
<b>TOTAL</b>			

*This section should only be completed if a subsequent request will be made to increase or decrease the current position count.*

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$6,141.00**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.**

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

Explain how expenditures are to be covered and if budget modifications are required.

