



TO: Mayor and City Council
FROM: William A. Gaines, Director of Utilities/CEO
COPY: T.C. Broadnax, City Manager and City Clerk
SUBJECT: Resolution – Negotiated Disposition of Tacoma Public Utilities, Light Division Real Property – December 1, 2015
DATE: November 9, 2015

SUMMARY:

This memorandum provides information for the proposed sale of approximately 0.36 of an acre of surplus land located at the intersection of Military Road and Canyon Road SE, in Pierce County, to WGW, Inc. for \$63,193.00. Real Property Services is requesting the City Council authorize this real property disposition via the negotiated disposition process.

STRATEGIC POLICY PRIORITY:

- Foster neighborhood, community, and economic development vitality and sustainability.

This transaction fosters neighborhood, community, and economic development vitality and sustainability by allowing this small portion of land to support development along a commercial corridor and to improve access to/from the remaining property owned by the City of Tacoma.

BACKGROUND:

The proposed surplus property is a 30 foot strip located along a portion of the southern boundary of a larger, 32.5 acre, parcel that is owned by Tacoma Power. WGW, Inc. owns the adjacent parcel and has proposed installing a road between the properties that would be subsequently deeded to Pierce County as a public right-of-way. This new road would be an extension of Military Road from the East side of Canyon Road, and would be built to Pierce County standards.

In 2010, the City, in anticipation of the Military Road extension and at the request of Tacoma Power, conveyed a small area of property for a traffic signal at this intersection. WGW, Inc. intends on developing their property in the near future, and therefore has requested to purchase that portion of Tacoma Power property that was intended for this road in order to proceed with development.

Tacoma Power has determined that there is no foreseeable need for continued ownership of this property, and that its current operations are not impacted by this transaction. However, Tacoma Power will retain an easement on this property for future ingress and egress. This transaction was approved by the Public Utility Board on October 14, 2015 and a public hearing was held on November 10, 2015.

ALTERNATIVES:

The alternatives to declaring this property surplus and disposing of it through the negotiated sale disposition process are to either retain ownership or to dispose via a bid/sale or Request for Proposal process. Tacoma Power does not have a need for the property and the proposed transaction allows it to be put to a higher and better use that will ultimately benefit Tacoma Power. Since the property is adjacent to WGW, Inc. and is not a viable legal parcel, a bid/sale or Request for Proposal process would not be feasible.

RECOMMENDATION:

Tacoma Power recommends that the City Council authorize the negotiated disposition of approximately 0.36 of an acre for \$63,193.00 in Pierce County Washington to the abutting property owner, WGW, Inc.



FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Power Superintended Fund 4700	56100		\$61,000
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No. This revenue opportunity developed during discussions with WGW, LLC.