



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 – September 26, 2017
DATE: August 25, 2017

SUMMARY:

To set Tuesday, October 10, 2017, as the date for a Public Hearing regarding the sale of approximately 1.35 acres of Tacoma Power property for \$16,250.

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.

This request supports the above policy priorities by allowing economic development and operation of the property, and offering the opportunity for public input on this real estate transaction.

BACKGROUND:

Tacoma Power owns the Potlatch-Cushman transmission line corridor, which in this vicinity consists of two 20-foot-wide strips of land on either side of SR 302. However, Tacoma Power does not need to own the property as ownership entails additional management time and expense, especially due to requests to cross or otherwise use the corridor. Operational needs can be met through permanent easement rights alone, as proposed by this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. Due to a timing issue with Key Pen Parks’ development of its Gateway Park property, they requested that we first grant them a permit to install the water line since the process to execute the sale of the property would take longer. Tacoma Power agreed to this request.

Tacoma Power requests that you authorize the sale of its property - identified as portions of Pierce County Assessor Tax Parcel Nos. 0122164001, 0122211071, and 0122153058, covering approximately 1.35 acres - located on the north and south sides of SR 302 in unincorporated Pierce County, to the Key Peninsula Metropolitan Park District for \$16,250. An easement to Tacoma Power will be retained in the property for continued use of the transmission line corridor.

Following are the steps needed to complete the transaction:

- 1) Tacoma Power will issue a Temporary Construction Permit (TCP) to allow use of a portion of the Potlatch-Cushman Transmission line corridor for installation of a water line to serve Key Pen Parks’ Gateway Park now under development.
- 2) Subsequent sale of the property is subject to completion of a Boundary Line Adjustment (BLA) - at Key Pen Parks’ expense - needed to reconfigure the Tacoma Power property included in the sale. Tacoma Power to retain an easement in the property for continued transmission line operations with no adverse impact to long-term operational needs.
- 3) Property sale expected to close and TCP to expire by October 31, 2017. During the interim, will proceed to Board and Council for declaration of surplus and approval of the sale.



Tacoma Power has negotiated the sale price to Key Pen Parks for \$16,250; this figure takes into consideration the reservation of an easement to Tacoma Power for continued use of the transmission line corridor in the sale property. The sale is subject to both Public Utility Board and City Council approval.

The terms and conditions of the purchase and sale agreement have been approved by Tacoma Power 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 Power does not have a need for continued fee ownership of 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, as the most likely purchaser is the abutter and the property would likely not appeal to other market participants, thus the bid/sale process would not likely be successful.

RECOMMENDATION:

Tacoma Power and Real Property Services recommend that the City Council set a Public Hearing in accordance with RCW 35.94.040, to be held October 10, 2017 to receive public comment regarding the proposed declaration of surplus and sale of approximately 1.35 acres of Tacoma Power 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 declaration of surplus and approval of the sale and conveyance of the real property.

FISCAL IMPACT:

There is no fiscal impact to setting this public hearing.