



**TO:** T.C. Broadnax, City Manager  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services Department  
**COPY:** City Council and City Clerk  
**SUBJECT:** Ordinance Transfer – Center for Urban Waters Land from Solid Waste to Wastewater – October 25, 2016  
**DATE:** September 19, 2016

**SUMMARY:**

An ordinance requesting the transfer of the Solid Waste Center for Urban Waters (CUW) land to the Wastewater fund.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and maintain a strong fiscal management position.

To consolidate the CUW land and building in the Wastewater fund with the associated Sewer 2016A Bonds. This will match the land and building with the debt in the Wastewater fund.

**BACKGROUND:**

A portion of the CUW land was purchased with operating cash by each of the Environmental Services Utilities prior to the construction of the CUW building. The CUW building was funded by bonds sold in 2009 by Tacoma Environmental Services (TES) Properties, a component of the National Development Council. The TES bonds were refunded and refinanced by the City with the Sewer 2016A Sewer Bonds in June, 2016.

The CUW building and Sewer 2016A Bonds are recorded in the Wastewater fund. An ordinance is required to transfer the land from Solid Waste to Wastewater. It is also the City's intention to transfer the Surface Water fund's portion of land to Wastewater. The Wastewater fund will provide cash reimbursements to the Surface Water and Solid Waste funds for the net book value of the land.

**ISSUE:**

The CUW land is currently recorded in the Solid Waste fund but the building and related debt are in the Waste Water fund. For transparency purposes, the land should be recorded with the building in the Waste Water fund.

**ALTERNATIVES:**

The land could remain as an asset of each of the three funds; however Solid Waste may need to be compensated for the use of land in the form of a ground lease.

**RECOMMENDATION:**

Provide authorization by ordinance for the CUW land transfer from the Solid Waste fund to the Wastewater fund.



**FISCAL IMPACT:**

Since this is an asset transfer, operating cash will transfer automatically between the funds.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Wastewater Fund 4300		CUW Land	\$687,056
<b>TOTAL</b>			

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Solid Waste Fund 4200		CUW Land	\$687,056
<b>TOTAL</b>			

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$687,056**

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

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

Existing cash balance.