



TO: T.C. Broadnax, City Manager
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer /KDK
Justin E. Davis, Division Manager, Facilities Management
Gloria R. Fletcher, Senior Real Estate Officer, Real Property Services
COPY: City Council and City Clerk
SUBJECT: Request for Resolution – June 23, 2015
DATE: June 6, 2015

SUMMARY:

Authorizing the execution of a non-exclusive, perpetual easement to Sierra Pacific Industries for ingress, egress, and utilities over, under and across the Tacoma Rail Mountain Division (“TRMW”) right-of-way near Frederickson, Washington, for consideration of \$20,000, to be deposited into the Tacoma Rail Mountain Division, Fund 4120.

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.

This transaction fosters economic development by allowing the benefitted parcels, which are zoned as Employment Centers, to be developed at the highest and best use. The crossing will provide a common point of access, which will permit land development for other uses such as building area or railroad sidings.

BACKGROUND:

Sierra Pacific Industries (Sierra Pacific) recently purchased several parcels totaling approximately 220 acres near Frederickson. They are currently planning on retaining approximately 100 of those acres for their lumber milling operations and intend to develop several smaller lots, ranging from 7 to 41 acres, for other uses that are consistent with the Frederickson Community Plan. Many of these sites will have access to rail infrastructure, which will provide additional rail customers to TRMW.

This easement request is for an 80-foot crossing over TRMW railroad track to allow for ingress, egress, and utilities to approximately 50 acres of this development, situated on two parcels. This crossing will be installed in compliance with all applicable rules and regulations and the easement contains provisions for potential future signalization of the crossing. The consideration of \$20,000 was based on an analysis that included the fair market value of the property and the benefits provided to TRMW by having an improved crossing for potential rail customers.

ISSUE:

Pursuant to Section 9.1 of the City Charter, the Public Works Department is requesting City Council authorization for the conveyance of this easement interest in City-owned real property.

ALTERNATIVES:

If the City Council does not agree to proceed with this easement request, TRMW could require a revocable permit to accommodate this crossing, or can deny any access over its tracks. A revocable permit may help with the development, but would likely limit long term investment in the site. If the permit is denied, access would have to be created from the other side of the property through a residential area, which could have a negative impact on the ability to develop the site to its highest and best use.



RECOMMENDATION:

The Public Works Department recommends that the City Council approve this request to grant a non-exclusive, perpetual easement to Sierra Pacific Industries to allow for ingress, egress, and utilities over and across TRMW right-of-way.

FISCAL IMPACT:

This project will provide \$20,000 to the Tacoma Rail Mountain Division, Fund 4120.

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 4120 (TRMD Administration)	633000	GL 4343500 (Revenue – Other)	\$20,000
TOTAL			\$20,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Revenue of \$20,000.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No, this revenue was not anticipated at the time the 2015-2016 budget was developed.