



TO: T.C. Broadnax, City Manager
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Gary Kato, Division Manager, Solid Waste Management
COPY: City Council and City Clerk
SUBJECT: Resolution authorizing the executions of a Lease Agreement with the Metropolitan Park District of Tacoma to use a portion of the Landfill for Greenhouse Operations – November 17, 2015
DATE: October 26, 2015

SUMMARY:

A resolution authorizing the execution of a 20-year commercial lease agreement with the Metropolitan Park District of Tacoma, with the option to extend for three additional 10-year terms, to construct, maintain, and operate greenhouses and related facilities on approximately 130,000 square feet of property located at the Tacoma Landfill, commencing January 15, 2016.

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.

The lease agreement will allow the Metropolitan Park District of Tacoma (Metro Parks) to build their greenhouse facilities on the capped landfill, which will allow utilization of the difficult to use land and eliminate the need to construct on building sites that can be used for other purposes. In addition, because of the low value of the land to be used, the lease agreement will be lower in cost to Metro Parks. The inter-governmental cooperation promotes effective use of resources.

BACKGROUND:

Metro Parks is vacating the current location of their greenhouse facility as a result of development of their property at Point Defiance Park. The facility will include the greenhouse, shade house, and cold frame facilities that Metro Parks uses to support their properties. The footprint is less than two acres and will be located on the northwest corner of the closed landfill. The lease payment rate is \$4,800 per year for a total of \$96,000 over the 20-year lease. The lease rate is much lower for Metro Parks because the facilities will be built on the closed landfill. It is difficult to construct on the closed landfill, but the type of structures to be built by Metro Parks are amenable to building on such a difficult location. In addition, the land to be used is a small space surrounded by a surface water retention pond, landfill ground water treatment facilities and container storage areas and that are not planned for any future development. The benefit to Solid Waste Management is a compatible land use with the surrounding operations. The greenhouses will also consume natural gas. The additional natural gas used will increase the amount of gas purchased from Puget Sound Energy (PSE) and will help defray the capital costs of the PSE improvements installed for Solid Waste's CNG system.

This agreement will be environmentally beneficial because the use of the closed landfill will eliminate the need for building on a site that can be used for a better purpose. It will also not increase the amount of land exempt from property taxes. There was no bid process because this is an agreement between two local government entities.



The recommended starting date for the lease is January 15, 2016. It is anticipated that construction would commence in February of 2016.

ALTERNATIVES:

The alternative to executing the lease agreement is locating the Metro Parks facility at a different location. It is likely that a different location will be more costly to Metro Parks, and would require the more of its limited funding on support operations. For Solid Waste Management, the consequences are less critical, but could result in higher payments to PSE for the installation of the capital improvements.

RECOMMENDATION:

The Environmental Services Department recommends authorizing the execution of a 20-year commercial lease agreement with the Metropolitan Park District of Tacoma, with the option to extend for three additional 10-year terms, to construct, maintain, and operate greenhouses and related facilities on approximately 130,000 square feet of property located at the Tacoma Landfill, commencing January 15, 2016.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200			\$0
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	512000	6221005	\$96,000
TOTAL			\$96,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$4,800 in additional revenues

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

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

Revenues only. No additional expenses are expected.

