



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – Disposition of Tacoma Water Real Property – City Council Agenda for May 12, 2020
DATE: February 27, 2020

SUMMARY AND PURPOSE:

This memorandum provides information for the proposed sale of approximately 4.74 acres of Tacoma Water property located in the Bonney Lake vicinity of unincorporated Pierce County for \$125,000.00 to Nash Cascadia Verde LLC. Real Property Services requests the City Council declare surplus and authorize this real property sale.

BACKGROUND:

This Department’s recommendation is based on a request from the Buyer to purchase the property for improved storm water retention and treatment in conjunction with their development of the Tehaleh master planned community in the Bonney Lake vicinity. As Tacoma Water does not see a need to retain ownership of the tract as ownership entails additional management time and expense, it agreed to the sale, retaining an easement for an access road to support current and future operations of the adjacent Pipeline No. 1 water supply transmission main. The sale is subject to both Pubic Utility Board and City Council approval. The Public Utility Board approved the sale on February 26, 2020. A Public Hearing was held before City Council on May 5, 2020. Questions from the public included whether the \$125,000.00 represents fair market value and further clarification on what the Buyer intends to do with the property. Mr. Muller responded that based on recent sales activity and in light of the underlying nature of the site with steep topography, along with Tacoma Water’s retention of easement rights for its maintenance road, Tacoma Water believes the consideration does represent fair market value. Mr. Muller also responded that the Buyer intends to install a pipeline along the maintenance road in order to convey stormwater from the residential lots to be developed uphill to the east of the sale tract, to connect to a new detention pond to be constructed downhill to the west of the sale tract.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

As the sale involves an unimproved tract of land in a suburban to semi-rural location in Pierce County, and the buyer, whose property surrounds the sale tract, is the only logical buyer of the property, no further community engagement efforts were identified and no potential impacts are foreseen to the local community.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The sale will allow continued development of the Tehaleh master planned community, providing housing, educational, employment, and recreational opportunities in line with state-mandated Growth Management policies. As the sale property lies outside the corporate limits of the City, no Equity Index Scores have been identified.



ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Retain property	None.	Costs for maintenance and liability.

EVALUATION AND FOLLOW UP:

This is a one-time sale with no on-going evaluation required.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Water and Real Property Services recommend that the City Council declare surplus and authorize the disposition of approximately 4.74 acres of Tacoma Water property to Nash Cascadia Verde LLC for \$125,000.

FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Water Fund 4600 - GL 1860030	N/A	N/A	\$125,000.00
TOTAL			\$125,000.00

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

None.