



TO: Elizabeth Pauli, City Manager
FROM: Michael San Soucie, Treasury Manager, Finance/Treasury
Andy Cherullo, Finance Director
COPY: City Council and City Clerk
SUBJECT: Segregation of Local Improvement District Parcel
DATE: June 4, 2018

SUMMARY:

The Finance Department, Treasury Division, requests approval to perform a segregation of Lots 1 thru 5, Block 26, MAP OF OAKES' ADDITION TO THE CITY OF TACOMA, WASHINGTON TERRITORY, except the southerly 10 feet deeded to the City of Tacoma for alley purposes. The owner of said Lots 1 thru 5, Block 26 requested the segregation for Local Improvement District 8630. Staff from Treasury and Public Works have reviewed the request and are prepared to make the appropriate adjustments.

STRATEGIC POLICY PRIORITY:

Performing the segregation aligns with our strategic policy to foster neighborhood, community, and economic development vitality and sustainability.

BACKGROUND:

Local Improvement District 8630 was established through previous City Council Ordinances No. 26926 and 27950. This Local Improvement District provided for the construction of permanent pavement and necessary facilities for storm drainage. The owner of said Lots 1 thru 5, Block 26 has completed segregation for tax purposes through the Pierce County Assessor. The owner requested a segregation to reflect the subdivision into two new parcels for the Local Improvement District assessments. The owner has paid the initial fee based on the City's estimated costs; the assessment is being allocated to two new parcels, described as Lots 1 thru 3, Block 26 and Lots 4 & 5, Block 26.

ISSUE:

The owner of said Lots 1 thru 5, Block 26 has requested a segregation of the assessments related to Local Improvement District 8630. By segregating these parcels it will allow the new property owners of the subdivided parcels to be in control of their own assessments and make payments on their own. If the segregation is not completed, the owner of said Lots 1 thru 5, Block 26 under the original Local Improvement District assessment roll would continue to be responsible for the assessments.

ALTERNATIVES:

If the segregation is not completed the assessments would remain as they are which would require the owner of said Lots 1 thru 5, Block 26 to pay the assessments and the City would not disperse the assessments to new owners. This alternative is not preferred because if the owner of parcel said Lots 1 thru 5, Block 26 stopped making payments; our remedy for collection would be to foreclose on the new owners.

RECOMMENDATION:

The Finance Department, Treasury Division, recommends approval of the segregation for Local Improvement District 8630. This has been requested by the owner of said Lots 1 thru 5, Block 26, reviewed by City staff, and addresses the issue of dividing the assessments. This action meets one of our strategic policy priorities and is funded by the owner of said Lots 1 thru 5, Block 26.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund: Finance	598507	5195000	\$542.99
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund: Finance	598507	4339000	\$542.99
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.

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

Century Condominium condo association will be covering the costs of the segregation work.