



**TO:** Mayor and City Council  
**FROM:** William A. Gaines, Director of Utilities/CEO  
**COPY:** Elizabeth Pauli, Interim City Manager and City Clerk  
**SUBJECT:** Resolution – Negotiated Disposition of Tacoma Public Utilities, Water Division Real Property – February 28, 2017  
**DATE:** February 15, 2017

**SUMMARY:**

This memorandum provides information for the proposed disposition of approximately 4,157 square feet of surplus real property located in Cumberland, Washington to Mr. Ted Coutts via the negotiated disposition process in exchange for an equal sized parcel of real property.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This request supports the above policy priority by allowing for a property that is no longer needed by the City to be sold, thereby providing revenue to the City and repurposing the property towards its highest and best use.

**BACKGROUND:**

The proposed disposition is of a portion of property owned by Tacoma Water that is located adjacent to Mr. Coutt’s property. Both properties abut an easement area that contains Tacoma Water’s Pipeline Number 1. There is a creek located within this easement area and erosion from this creek has exposed the pipeline, putting it at risk for potential damage. Rerouting the transmission pipe was determined to be cost prohibitive, so Tacoma Water has developed a plan to re-route the creek, which will result in significant cost savings. This plan requires the acquisition of a 20 foot strip from Mr. Coutt’s so that Tacoma Water will have contiguous ownership along the easement area. Tacoma Water has agreed to transfer an equal amount of its land that abuts Mr. Coutt’s property along with \$10,000 for the relocation of his existing improvements.

The Tacoma Public Utilities Board approved this transaction on January 25, 2017 and a public hearing was held on February 14, 2017. No comments were received during the public hearing.

**ALTERNATIVES:**

The alternatives to disposing of this property through the negotiated sale disposition process, as allowed under TMC 1.06.280f, are to either retain ownership or to dispose via a bid process. Tacoma Water is actually retaining ownership of the same amount of property but in a different configuration. A bid sale process would not be suitable for this transaction because this is not a stand-alone parcel and the property exchange is only possible with the abutting owner.

**RECOMMENDATION:**

Tacoma Water and Real Property Services recommend that the City Council authorize this disposition of 4,157 square feet of Tacoma Water real property located in Cumberland, Washington. The property will be exchanged for an equal sized portion of property via a Boundary Line Adjustment and Quit Claim Deed.



**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME*	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600-10WC, Water 2010 Construction BAB Fund	20000059272		\$15,000 (Estimated Total Transactional Costs)
<b>TOTAL</b>			

\*General Fund: Include Department

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$15,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**