



TO: T.C. Broadnax, City Manager
FROM: Gloria Fletcher, Senior Real Estate Officer TPU, Department of Public Works ~~GF~~
William A. Gaines, Director of Utilities/CEO
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Negotiated Disposition of Tacoma Public Utilities, Light Division, real property – June 10, 2014
DATE: May 21, 2014

SUMMARY:

This memorandum provides information on the proposed sale of approximately 13.06 acres of real property by the City of Tacoma, Department of Public Utilities, Light Division (“Tacoma Power”). The property is located in Toledo, Lewis County. Real Property Services is requesting the City Council to authorize a declaration of surplus and negotiated disposition of this real property to the abutting property owner, Mr. David Filla,

STRATEGIC POLICY PRIORITY:

- Encourage and promote an open, effective, results-oriented organization.

This transaction supports an open, effective, and results-oriented organization by providing an efficient resolution to a property issue that allows for both highest and best use of real property, and long term operational needs.

BACKGROUND:

This property was acquired in 2011 as part of a larger, 73 acre, purchase by the City of Tacoma, Department of Public Utilities - Light Division, from Mr. Filla. Funds for the original acquisition were provided by the Cowlitz Fish Habitat Fund that was established in accordance with the Federal Energy Regulatory Commission’s License Number 2016 (Cowlitz River Hydroelectric Project).

At the time of that purchase, Mr. Filla was not able to exclude the subject 13.06 acres from the sale. However, since that time, he has requested that Tacoma Power sell this portion back to him for his continued use, and recently completed a survey that accommodates this request via a boundary line adjustment.

Tacoma Power has determined that there is no foreseeable need for continued ownership of this property, and that its current fish habitat management activities are not impacted by this transaction. Further, since Mr. Filla is an abutting and former owner, a negotiated sale would be in the best interests of the City of Tacoma and Tacoma Power. This action was approved by the Public Utility Board on May 14, 2014.

Tacoma City Council held a Public Hearing on June 3, 2014, as required by State law to allow the public to comment on the proposed sale of utility property. No comments or objections were received during that hearing.



ALTERNATIVES:

The alternatives to declaring the parcel surplus and disposing of it through the negotiated sale disposition process are to either retain ownership or to dispose via a bid/sale or Request for Proposal process. Tacoma Power does not have a need for the property so retaining ownership will result in continued and unnecessary risk exposure and maintenance costs. Since the property is adjacent to Mr. Filla's property, and he was the original owner, a negotiated disposition is the most efficient transactional process.

RECOMMENDATION:

Tacoma Power and Real Property Services recommend that the City Council authorize the declaration of surplus and negotiated disposition of approximately 13.06 acres of vacant land located in Toledo, Washington to Mr. David Filla.

FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Cowlitz Fish Habitat Fund	PWR-00157-02-06-03		160,515.00
TOTAL			\$160,515.00

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No. This revenue opportunity developed after Mr. Filla approached the City.

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