



RESOLUTION NO. 38718

1 A RESOLUTION relating to surplus property; declaring certain real property
2 owned by the City, located at 1110, 1114, 1120, and 1124 Martin Luther
3 King Jr. Way, to be surplus; authorizing approval of Purchase and Sale
4 Agreements with Kellogg Sicker Pochert LLC, for property located at
5 1110 and 1114 Martin Luther King Jr. Way; and with the Tacoma Housing
6 Authority, for property located at 1120 and 1124 Martin Luther King Jr.
7 Way, for the purpose of constructing apartments, ground floor office/retail
8 and parking.

9 WHEREAS that certain real property located at 1110, 1114, 1120, and 1124
10 Martin Luther King Jr. Way ("Property"), acquired by the City in 2005 after a history
11 of nuisance and code violations, is surplus to the City's needs, and
12

13 WHEREAS the Property site, located on a key block in the core of the Hilltop
14 business district, consists of four parcels, three with existing buildings and one used
15 for surface parking, and is approximately one-half acre in size, and
16

17 WHEREAS two of the three existing buildings were recently approved for
18 inclusion into the Tacoma Register of Historic Places, and
19

20 WHEREAS the City intends to sell said Property, identified as Tier 1 property
21 pursuant to the City's Policy for the *Sale/Disposition of City-owned General*
22 *Government Real Property*, for the purpose of constructing apartments, ground
23 floor office/retail, and parking, and
24

25 WHEREAS the City received a joint proposal from the Tacoma Housing
26 Authority and Kellogg Sicker Pochert LLC, represented by Kevin Grossman (the
"Parties"), to provide for high-quality market rate and subsidized housing with
commercial/retail uses on the ground floor, and



1 WHEREAS the project will preserve two historic buildings and redevelop the
 2 remaining two parcels as new construction in a manner that benefits the community
 3 by providing 40-50 units of mixed-income, affordable housing, targeting households
 4 earning 30-80 percent of area median income, developed in a way that will be
 5 aesthetically consistent with neighboring development, and

6 WHEREAS the Parties will coordinate on project design compatibility,
 7 parking solutions, and occupancy/use, and have conducted significant public
 8 outreach to key stakeholder groups in the neighborhood, with letters of support
 9 received from all groups, and

10 WHEREAS, there being no foreseeable need for continued City ownership of
 11 the Property, a declaration of surplus and negotiated disposition now appear to be
 12 in the best interests of the City, pending final approval from the City Council; Now,
 13 Therefore,
 14

15 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

16 Section 1. That the City-owned property located at 1110, 1114, 1120, and
 17 1124 Martin Luther King Jr. Way is not essential to the needs of the City and is
 18 hereby declared surplus property pursuant to RCW 35.22.020 and Article I,
 19 Section 1.2, and Article IX of the Tacoma City Charter.
 20

21 Section 2. That the proper officers of the City are hereby authorized to enter
 22 into a Purchase and Sale Agreement and accompanying Declaration of Covenants
 23 and Conditions with Kellogg Sicker Pochert LLC, in the amount of \$100,000, in
 24 accordance with the appraisal dated May 23, 2013, for the real property located at
 25 1110 and 1114 Martin Luther King Jr. Way, for the purpose of constructing
 26

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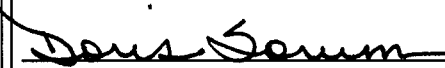


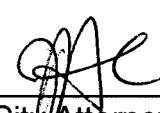
1 apartments, ground floor office/retail, and parking, said document to be
2 substantially in the form of the agreement on file in the office of the City Clerk.

3 Section 3. That the proper officers of the City are hereby authorized to enter
4 into a Purchase and Sale Agreement and accompanying Declaration of Covenants
5 and Conditions with Tacoma Housing Authority for conveyance of the real property
6 located at 1120 and 1124 Martin Luther King Jr. Way, for the purpose of
7 constructing apartments, ground floor office/retail and parking, said document to be
8 substantially in the form of the agreement on file in the office of the City Clerk.
9

10
11 Adopted AUG 13 2013

12
13 
14 Mayor

15 Attest:
16 
17 City Clerk

18 Approved as to form:
19 
20 Deputy City Attorney

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22
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24
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26



CITY CLERK USE ONLY

REQUEST FOR RECEIVED
 ORDINANCE RESOLUTION

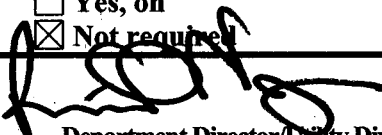

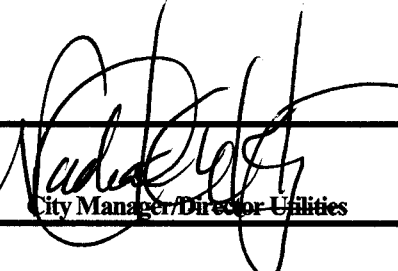
Request #:	13597
Ord./Res. #:	38718

AUG 05 2013

1. DATE: JULY 22, 2013

CITY CLERK'S OFFICE

2. SPONSORED BY: COUNCIL MEMBER(S) N/A

3a. REQUESTING DEPARTMENT/DIVISION/PROGRAM Community & Economic Development Department 3b. "DO PASS" FROM Economic Development Committee, July 30, 2013. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> To Committee as information only <input type="checkbox"/> Did not go before a Committee 3c. DID THIS ITEM GO BEFORE THE PUBLIC UTILITY BOARD? <input type="checkbox"/> Yes, on <input checked="" type="checkbox"/> Not required	4a. CONTACT (for questions): Martha Anderson PHONE: (253) 591-5207	
	4b. Person Presenting: Martha Anderson PHONE: (253) 591-5207	
	4c. ATTORNEY: Jeff Capell PHONE: 591-5638	
 Department Director/Utility Division	 Budget Officer/Finance Director	 City Manager/Director Utilities

5. REQUESTED COUNCIL DATE

August 13, 2013

6. SUMMARY AGENDA TITLE: (A concise sentence, as it will appear on the Council agenda.)

Authorizing approval of a Purchase and Sale Agreement with Kelly Sicker Porchert, LLC for property located at 1110 and 1114 Martin Luther King Jr. Way and a Purchase and Sale Agreement with the Tacoma Housing Authority for property located at 1120 and 1124 Martin Luther King Jr. Way.

7. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

The City intends to sell four parcels of City-owned property at 1110, 1114, 1120 and 1124 Martin Luther King (MLK) Jr. Way for the purpose of construction of apartments, ground floor office/retail and parking. These properties are identified as Tier 1 properties according to the City's Policy for the Sale/Disposition of City-owned General Government Real Property.

The MLK properties were acquired by the City in 2005 after a history of nuisance and code violations. The property is located on a key block in the core of the Hilltop business district. The site is approximately .5 acre and consists of four parcels, three with buildings and one used for surface parking. Two of the buildings were recently approved for inclusion in the Tacoma Register of Historic Places.

The City has received a joint proposal from Tacoma Housing Authority and Kellogg Sicker Porchert, LLC, represented by Kevin Grossman. Their proposal is to provide a high quality market rate and subsidized housing, with commercial/retail uses on the ground floor. The MLK Rehab project will preserve the two historic buildings and redevelop the buildings for market rate housing. THA will develop the remaining two parcels as new construction, three to five floors and about forty to fifty housing units. THA's target market will be workforce housing, affordable to the employees at the

REQUEST (CONT)

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lower end of the wage scales of the area's major employers, such as the health care facilities in the neighborhood. The two organizations will coordinate on design compatibility, parking solutions and occupancy/use.

The organizations have conducted a significant amount of public outreach to key stakeholder groups in the neighborhood and have received letters of support from all groups.

8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material	Location of Document
Purchase and Sale Agreements	City Clerk's Office
City of Tacoma parcel map	Community & Economic Development Dept.

9. WHICH OF THE CITY'S STRATEGIC GOALS DOES THIS ITEM SUPPORT? (CHECK THE GOAL THAT BEST APPLIES)

- A. A SAFE, CLEAN AND ATTRACTIVE COMMUNITY
- B. A DIVERSE, PRODUCTIVE AND SUSTAINABLE ECONOMY
- C. A HIGH-PERFORMING, OPEN AND ENGAGED GOVERNMENT

10. SUSTAINABILITY: IN WHAT WAYS HAVE YOU CONSIDERED THE CITY'S SUSTAINABILITY PRIORITIES?

Environment: How does this decision impact regional and local ecological well-being?

Project will return a former blighted, unsafe site to productive use.

Equity: How does this decision promote meeting basic needs and equitable access to opportunities for all city residents?

The THA portion of the housing development will be targeted to workforce housing, available to individuals working at the lower end of the wage scales.

Culture: How does this decision impact cultural (arts, innovation, heritage, and recreation) and quality of life for all citizens?

Two of the buildings are listed on the Tacoma Register of Historic Places and all design must be approved by the Landmarks Commission

Economy: How does this decision impact the local economy? What are the significant financial costs/benefits?

Two of the parcels will convert from public ownership to private ownership resulting in new property tax revenue. Ground floor uses will be retail/commercial/restaurant increasing the tax base through sales tax revenue

REQUEST (CONT)

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11. IF THIS CONTRACT IS FOR AN AMOUNT OF \$200,000 OR LESS, EXPLAIN WHY IT NEEDS LEGISLATIVE APPROVAL:

N/A

12. FINANCIAL IMPACT: EXPENDITURE REVENUE

SALES PRICE IS \$100,000.

- A. NO IMPACT (NO FISCAL NOTE)
- B. YES, OVER \$100,000, Fiscal Note Attached
- C. YES, UNDER \$100,000, (NO FISCAL NOTE)

Provide funding source information below:

FUNDING SOURCE: (Enter amount of funding from each source)

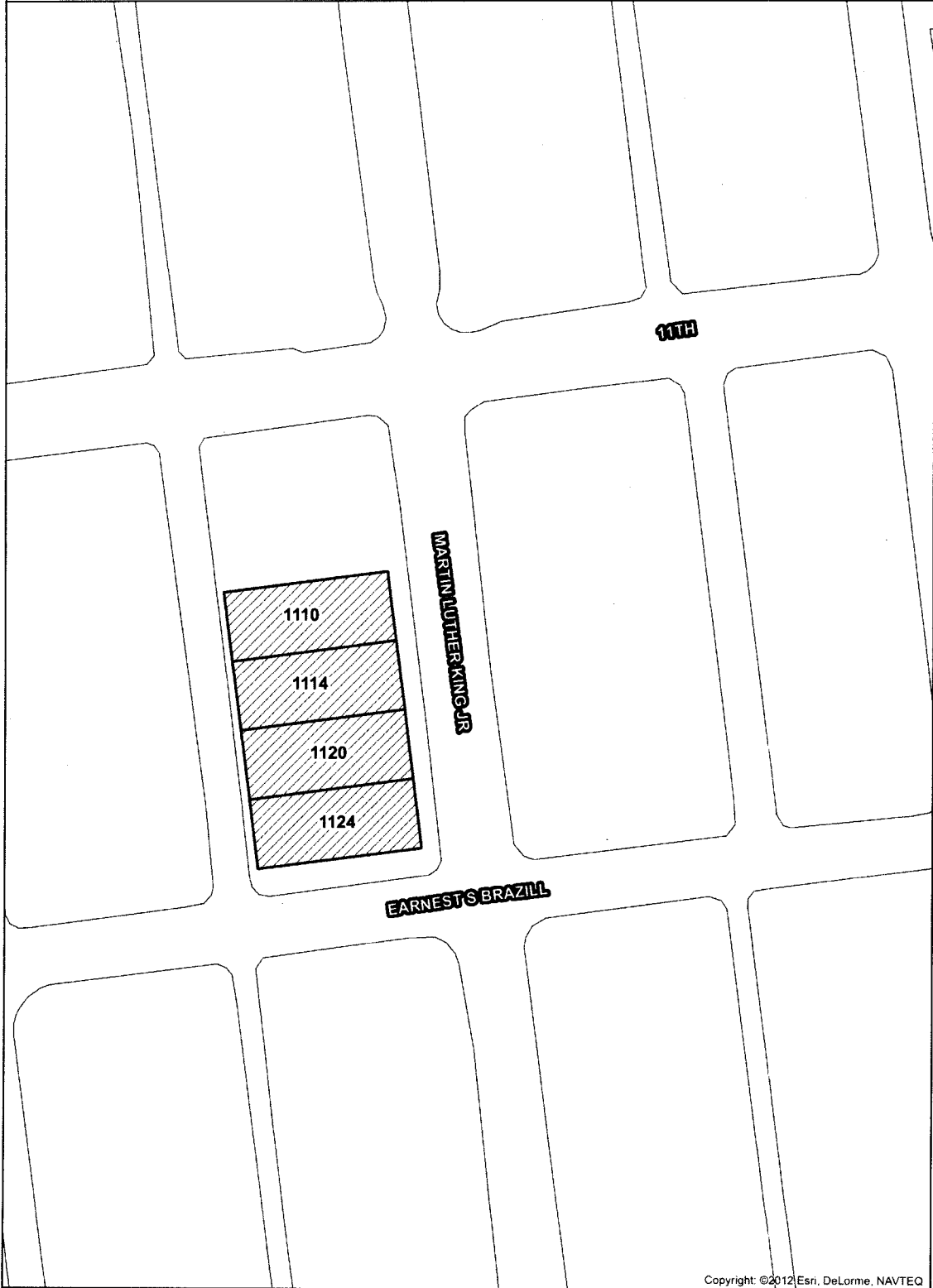
Fund Number & Name:	State \$	City \$	Other \$100,000	Total Amount \$100,000
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1195-UDAG

If an expenditure, is it budgeted? Yes No **Where? Cost Center:**

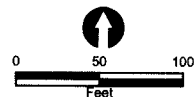
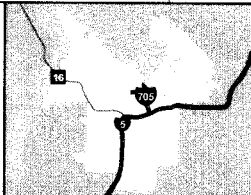
Acct #:

1110 - 1124 Martin Luther King, Jr. Way Properties



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COT parcels



Map is for reference only.



Resolution No. 38718

Adopted: AUG 13 2013

Maker of Motion: Lonergan

Seconded: Woodards

Voice Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Boe	✓			
Mr. Campbell				✓
Mr. Ibsen	✓			
Mr. Lonergan	✓			
Mr. Mello	✓			
Mr. Thoms	✓			
Ms. Walker	✓			
Ms. Woodards	✓			
Mayor Strickland	✓			

Roll Call Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Boe				
Mr. Campbell				
Mr. Ibsen				
Mr. Lonergan				
Mr. Mello				
Mr. Thoms				
Ms. Walker				
Ms. Woodards				
Mayor Strickland				