




TO: Mayor and City Council
FROM: William A. Gaines, Director of Utilities / CEO 
COPY: T.C. Broadnax, City Manager and City Clerk
SUBJECT: Resolution – Set Public Hearing – August 30, 2016
DATE: August 10, 2016

SUMMARY:

To set Tuesday, September 20, 2016, as the date for a Public Hearing regarding the declaration of surplus and negotiated disposition of approximately 1.52 acres of Tacoma Water property for \$325,000.

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 an opportunity for public input on this real estate transaction.

BACKGROUND:

Tacoma Water originally acquired this residential property, which included a small home and concrete shop, in 1949 and for use as employee housing and operational support for the Green River Municipal Watershed, Pipeline 1, the Cumberland Tank, and other related assets. The home was converted to office use several years ago and, in 1980, the property was expanded and a second shop area was built, changing the use to equipment and vehicle storage and occasional meeting space. In 2014, these operations were consolidated between the McMillin Reservoir and Watershed locations and the property has been marketed via a third party broker.

This property is extremely unique from a market perspective due to the lack of curb appeal as a residential property and incompatible zoning for a light industrial/commercial property. The City of Enumclaw has designated the land use as Single Family Residential, but the zoning is Public Use. At this time, Tacoma Water has received an offer from George and Mary Roach for \$325,000, subject to a zoning change to allow for their intended residential use. Tacoma Water and Real Property Services agree that this price is within fair market value, as supported by a third-party appraisal.

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 does not have a need for the property and if it were to retain ownership there would be continued management and administration costs. This property was marketed using a licensed real estate broker, which includes similar components of a bid process, while maximizing market exposure.

RECOMMENDATION:

Tacoma Water and Real Property Services recommend that the City Council set a public hearing, in accordance with RCW 35.94.040, to be held September 20, 2016 to receive public comment regarding the proposed sale of 1.52 acres of Tacoma Water real property located in Enumclaw, Washington. Once the public hearing has been conducted, a separate request will be presented to City Council for the approval of the negotiated disposition and conveyance of real property.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Water Capital Reserve Fund 4600- CAPTL GL6411030	587501		Approx. \$285,000 (purchase price less transaction costs)
TOTAL			

* General Fund: Include Department

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No. This revenue was not budgeted.