




Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Greg Volkhardt, Water Division Manager, Water Source and Treatment Operations, Tacoma Water 
Greg Muller, Real Estate Officer, Real Property Services
MEETING DATE: November 18, 2020
DATE: November 6, 2020

SUMMARY: Declare surplus and authorize the negotiated sale of approximately 43 acres of Tacoma Water property identified as Pierce County Assessor Tax Parcel No. 0419141088 located at the northwest corner of 134th Avenue East and 144th Street East to the Puyallup School District No. 3 ("Puyallup") for \$2,025,000.00. As part of the transaction, several easements will be granted to Tacoma Water for continued use of its existing utility infrastructure and access road in support of Tacoma Water's adjacent McMillin Reservoir complex; also, an easement remains in place to Pierce County for access to an adjacent property Tacoma Water sold to them in 2017 as approved by Board via Resolution No. U-10973.

BACKGROUND: No previous request has been submitted to Board in relation to this proposal. The sale property is in a semi-rural to suburban location in central unincorporated Pierce County near Puyallup. It was originally acquired as part of the McMillin Reservoir complex developed in 1912 to store water from the Green River for distribution to the Tacoma Water service area. The Puyallup School District intends to utilize the land as a site for a public school. As Tacoma Water does not need to retain ownership of the property as ownership entails additional management time and expense, it agreed to the sale with reservation of easements for utility infrastructure and access. The sale price is believed to reflect Fair Market Value based on sales activity and appraisal. The terms and conditions of the purchase and sale agreement have been reviewed by the City Attorney's Office and approved by Tacoma Water management and Real Property Services.

Upon approval by the Board, a separate request will be made to the City Council to hold a Public Hearing to be followed by Final Approval. Closing of the sale is expected by February 2021.



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ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.
N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A.

ATTACHMENTS: Tacoma Water Real Estate Purchase and Sale Agreement No. A3198 (including Exhibit "B" Bargain and Sale Deed No. 6766 and Exhibit "C" Easement No. 2709); Declaration of Surplus; Location Map

CONTACT: Primary Contact: Greg Muller, Real Estate Officer, Ext 8256
Supervisor: Dylan Harrison, Senior Real Estate Officer, Ext 8836