



**TO:** T.C. Broadnax, City Manager  
**FROM:** Gloria Fletcher, Senior Real Estate Officer TPU, Department of Public Works  
William A. Gaines, Director of Utilities/CEO  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Set Public Hearing – September 9, 2014  
**DATE:** August 12, 2014

**SUMMARY:**

To Set Tuesday, September 23, 2014, as the date for a Public Hearing in order to declare surplus and approve the negotiated sale of approximately 0.85 of an acre of surplus land located near the intersection of Canyon Road and 172<sup>nd</sup> Street E., in Pierce County, to Fretoc, LLC for \$50,000.

**STRATEGIC POLICY PRIORITY:**

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

This transaction supports an open, effective, and results-oriented organization by allowing for public input on this real estate transaction.

**BACKGROUND:**

This property was acquired 1893 when the Tacoma Light and Water company conveyed several parcels of real property to the City of Tacoma. This triangular shaped piece is located on the West side of Canyon road and is a remnant portion of a larger, 73 acre site, that is primarily located on the East side of Canyon road. This property is significantly encumbered by a Bonneville Power Administration transmission line and has little economic value to the larger parcel.

Earlier this year, Fretoc, LLC approached Tacoma Water to purchase this property to facilitate the development of their abutting property. After negotiations, Tacoma Water agreed to this disposition, provided that Fretoc, LLC handle all transactional costs. The fair market value was determined to be \$50,000.

Tacoma Water has determined that there is no foreseeable need for continued ownership of this property, and that its current operations are not impacted by this transaction. Further, since this property is not a viable parcel and Fretoc, LLC is the abutting owner; a negotiated sale would be in the best interests of the City of Tacoma and Tacoma Water. This action was approved by the Public Utility Board on August 27, 2014.

**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 Water 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 Fretoc, LLC, and is not a viable legal parcel, a negotiated disposition is the most efficient transactional process.



**RECOMMENDATION:**

Tacoma Water and Real Property Services recommend that the City Council set a public hearing to be held September 23, 2014 to receive public comment regarding the proposed sale of approximately 0.85 of an acre in Pierce County, Washington.

The Public Hearing will provide a forum for the public to comment on the proposed sale, thereby promoting transparency of governmental actions and the responsible stewardship of City property. Once the Public Hearing has been conducted a separate request will be presented to City Council for the approval of the declaration of surplus, negotiated disposition, and conveyance of real property from The City of Tacoma to Fretoc, LLC.

**FISCAL IMPACT:**

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Water Capital Reserve Fund 4600-CAPTL GL6411030	587501		\$ 50,000
<b>TOTAL</b>			<b>\$50,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No. This revenue opportunity developed after Fretoc, LLC approached the City.

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