



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – Disposition of Tacoma Power Real Property – City Council Agenda for October 13, 2020
DATE: September 18, 2020

SUMMARY AND PURPOSE:

This memorandum provides information for the proposed sale of approximately 31.5 acres of Tacoma Power property located in the Frederickson vicinity of unincorporated Pierce County for \$10,600,000.00 to Exeter Canyon Land, LLC (“Exeter”). Real Property Services requests the City Council declare surplus and authorize this real property sale.

BACKGROUND:

The Director of Utilities approved the surplus declaration in November 2018. At the conclusion of marketing efforts, a purchase and sale agreement with Exeter was entered into in February 2020. Tacoma Power agreed to credit Exeter \$235,000.00 toward the purchase price which was received as consideration from the Tacoma Sportsmen’s Club for an easement on the sale property, resulting in a net consideration to be received from Exeter of \$10,365,000.00. Exeter has extensive nationwide experience in developing industrial properties, many as build-to-suit for particular users and has submitted an application for development with Pierce County. Tacoma Power does not need to retain ownership of the property as ownership entails additional management time and expense. The sale is subject to both Public Utility Board and City Council approval. The terms and conditions of the purchase and sale agreement have been reviewed by the City Attorney’s Office and approved by Tacoma Power management and Real Property Services. The Public Utility Board approved the sale on September 9, 2020. A Public Hearing was held before City Council on October 6, 2020, with no questions or comments received from the public. In response to a request from Council Member Beale, additional background information was provided to Council subsequent to the Public Hearing.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

All abutting property owners were notified of the sale, a public hearing notice was published and the public hearing held as required by state law, with no public comment received. No further community engagement efforts were identified and no potential impacts are foreseen to the local community.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The property was widely marketed and advertised for sale allowing all persons an opportunity to make an offer to purchase the property. Upon completion of the sale, the property will be returned to the tax rolls, and upon development will provide additional revenue and jobs to support the local and regional economy. As the sale property lies outside the corporate limits of the City, no Equity Index Scores have been identified.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
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1. Retain property	None.	Costs for maintenance and liability.
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EVALUATION AND FOLLOW UP:

This is a one-time sale with no on-going evaluation required.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power and Real Property Services recommend that the City Council declare surplus and authorize the disposition of approximately 31.5 acres of Tacoma Power property to Exeter Canyon Land, LLC for \$10,600,000.00 (net consideration to be received from buyer is \$10,365,000.00 due to credit for \$235,000.00 received from the Tacoma Sportsmen’s Club for a recent grant of easement).

FISCAL IMPACT:

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
GL 6411030	CC 561100	N/A	Approximately \$10,138,000.00 (net purchase price less transaction costs)
TOTAL			\$10,365,000.00 (\$10,600,00.00 purchase price less \$235,000.00 buyer credit)

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City’s FTE/personnel counts?

No

ATTACHMENTS:

None.