



RESOLUTION NO. U-11308

1 A RESOLUTION relating to Tacoma Power; declaring utility-owned real
2 property located at 3404 South 45th Street in Tacoma surplus and
3 authorizing the sale to Chris and Mitzi Dunayski for \$250,000.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division (d.b.a. "Tacoma Power"), requests the Board declare surplus and
6 approve the negotiated sale of approximately 6,350 ft. of land ("Property"),
7 located at 3404 South 45th Street for an agreed upon amount of \$250,000, and

8 WHEREAS the Property is in an urban area and was formerly improved
9 with Tacoma Power's Warner Substation, and

10 WHEREAS this Property was declared surplus in 2009 by Utility Board
11 Resolution No. U-10270, but no adequate bids were received as part of the
12 sealed-bid process, and

13 WHEREAS this Property was identified as potential for Affordable
14 Housing and was included in an RFP in 2021; and has been offered to the
15 Puyallup Tribe, and

16 WHEREAS this Property was then marketed to the community at large,
17 which resulted in the current negotiated sale amount of \$250,000 to Chris and
18 Mitzi Dunayski, and

19 WHEREAS the purchase price for the Property in the amount of
20 \$250,000 has been determined to represent fair market value, and

21 WHEREAS this Property is still not needed for continued utility service
22 and is surplus to the needs of Tacoma Public Utilities, Now, Therefore,
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BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

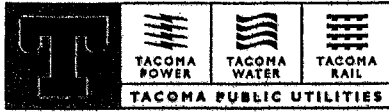
Sec. 1. That it is in the best interests of the City of Tacoma to approve the negotiated sale of approximately 6,350 feet of land, located at 3404 South 45th Street (Pierce County Assessor Tax Parcel No. 2890002480), in Tacoma, Pierce County, Washington, and as more fully described in the documents on file with the Clerk of the Board, to Chris and Mitzi Dunayski, in the amount of \$250,000.

Sec. 2. That the Property is not essential for continued effective utility service by Tacoma Power and is properly declared surplus property and excess to the needs of Tacoma Public Utilities.


Sec. 3. That the City Council is requested to hold a public hearing on this matter pursuant to RCW 35.04.040, and thereafter approve this recommended sale and authorize the proper officers of the City of Tacoma to execute all necessary documents, substantially in the same form as on file with the Clerk and approved by the City Attorney.

Approved as to form:

_____ /s/ _____ Chief Deputy City Attorney	_____ Chair
_____ Clerk	_____ Secretary
	Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: John Nierenberg, Tacoma Power T&D Assistant Section Manager 
Greg Muller, Real Estate Officer, Real Property Services
MEETING DATE: February 23, 2022
DATE: February 11, 2022

SUMMARY: Declare surplus and authorize the negotiated sale to Chris and Mitzi Dunayski of approximately 6,350 square feet of land in Tacoma Power property identified as Pierce County Assessor Tax Parcel No. 2890002480 located at 3404 South 45th Street in Tacoma for \$250,000.00.

BACKGROUND: No previous request has been submitted to Board in relation to this proposal. The property is in an urban location in Tacoma and was formerly improved with Tacoma Power's Warner Substation. As part of a package of decommissioned substation properties, this former substation site was previously declared surplus in 2009 by the TPU Board and Council. However, it failed to sell through a sealed-bid process. This sale follows the process provided in the TPU Surplus Real Property Disposition Policy #121 adopted in 2020. The property was identified as potential for Affordable Housing and was included in an RFP in 2021. As it is an in-City property, it was also offered to the Puyallup Tribe. However, none of these parties expressed an interest in the property. Thus, the next step was to market to the community at large, as detailed in the Background and Marketing Strategy memoranda previously provided to Board Members (attached), and this sale is a result of those efforts. The sale documents were reviewed by the City Attorney's Office and approved by Tacoma Power 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 April 2022.

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: Purchase and Sale Agreement, Declaration of Surplus; Location Map; Background Memo to Board, Marketing Strategy Memo

CONTACT: Primary Contact: Greg Muller, Real Estate Officer, 253.606.4688
Supervisor: Dylan Harrison, Senior Real Estate Officer, Ext 8836



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities 
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Sale of Tacoma Power Real Property – City Council Consent Agenda for March 8, 2022
DATE: February 11, 2022

SUMMARY AND PURPOSE:

To set Tuesday, March 22, 2022 as the date for a Public Hearing regarding the declaration of surplus and sale of approximately 6,350 square feet of Tacoma Power property, identified as Pierce County Assessor Tax Parcel No. 2890002480, to Chris and Mitzi Dunayski for \$250,000.00.

BACKGROUND:

Click or tap here to enter text. The property is in an urban location in Tacoma and was formerly improved with Tacoma Power's Warner Substation. As part of a package of decommissioned substation properties, this former substation site was previously declared surplus in 2009 by the TPU Board and Council. However, it failed to sell through a sealed-bid process. This sale follows the process provided in the TPU Surplus Real Property Disposition Policy #121 adopted in 2020. The property was identified as potential for Affordable Housing and was included in an RFP in 2021. As it is an in-City property, it was also offered to the Puyallup Tribe. However, none of these parties expressed an interest in the property. Thus, the next step was to market to the community at large, and this sale is a result of those efforts. The terms and conditions of the Purchase and Sale Agreement were reviewed by the City Attorney's Office and approved by Tacoma Power management and Real Property Services.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Efforts were made to engage the community and partners through providing an RFP for Affordable Housing, engagement with the Puyallup Tribe, and finally marketing to the community at large for disposal of the property. This sale has been vetted by Tacoma Power management.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Combining the value indices of Livability, Accessibility, Economy, and Education, the sale property is located in a Low Equity Index neighborhood. However, the sale will allow continued development of the local community, which provides housing, educational, employment, and recreational opportunities in line with state-mandated Growth Management policies and City of Tacoma planning goals and development regulations.



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)
1. Retain property	None.	Costs for maintenance and liability.

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 set March 22, 2022 as the date to hold a Public Hearing for the declaration of surplus and sale of approximately 6,350 square feet of Tacoma Power Property to Chris and Mitzi Dunayski for \$250,000.00.

FISCAL IMPACT:

There is no fiscal impact to setting this Public Hearing.

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

No

Will the legislation have an ongoing/recurring fiscal impact?

No

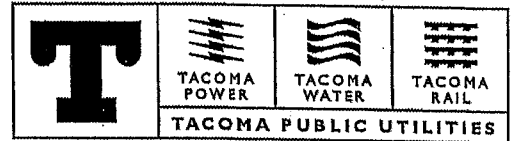
Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

Sale Property Location Map.

MEMORANDUM



TO: Public Utility Board
FROM: Jackie Flowers, Director of Utilities
DATE: October 6, 2021
RE: Surplus Property / Marketing Strategy

To ensure Board Members have an opportunity to make inquiries about proposed TPU real property surplus dispositions, this memorandum is provided to allow individual Board Members to timely reach out to the Director to request additional information about the surplus property and disposition process.

Tacoma Power owns the former Warner Substation property located at 3404 South 45th Street in Tacoma. Pursuant to TPU Surplus Real Property Disposition Policy #121, this property - as part of a group of Tacoma Power and Water properties - was declared surplus and offered to other City departments and the Puyallup Tribe, and was part of the Affordable Housing RFP. Although offers for Affordable Housing were made for the former Downing and Lincoln Park substation and South 40th & "A" Street properties (and the transfer process is underway), none of the parties expressed an interest in acquiring the former Warner Substation property. Therefore, we are now at Step 4 of the TPU Policy for this property, and Real Property Services has created a site-specific Marketing Strategy to dispose of this Category 2 property, i.e. one that is believed to have economic value or functional utility and is likely to appeal to a wide market. Thus, this strategy prioritizes maximizing ratepayer return while remaining consistent with TPU Board strategic directives.

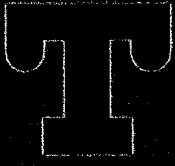
Previous to the foregoing efforts, Real Property Services had received inquiries from other parties regarding the availability of this property. Also, they recently received an offer to purchase the property for \$250,000. Therefore, in order to timely respond to this offer, while at the same time affording the parties who had previously made inquiries, together with the public at large, the opportunity to submit an offer on the property, Real Property Services will implement a 2-week marketing period to solicit offers from the other parties, with a minimum price of \$250,000, while simultaneously listing the property on the City's surplus website at the same minimum price. Once the marketing period is over, Real Property Services will then negotiate with any parties that have submitted bone fide offers, and enter into a Purchase and Sale Agreement with the party providing the best offer in the opinion of Real Property Services and Tacoma Power. Finally, Public Utility Board and City Council approval will be requested after said Purchase and Sale Agreement has been executed and all buyer contingencies have been waived.

The proposed Marketing Strategy has been reviewed and approved by both Tacoma Power management and me. Please let me know if you would like any additional details or information concerning this property and the proposed Marketing Strategy.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jackie Flowers', is written over a horizontal line.

Attachments:
Marketing Strategy
Declaration of Surplus (Including Property Profile and Location Map/Photo)



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

Date: September 30, 2021

To: Jackie Flowers, Director of Utilities

From: Dylan Harrison, Senior Real Estate Officer, Real Property Services

Subject: Marketing Strategy for former Tacoma Power Warner Substation Property

Tacoma Power owns the former Warner Substation property located at 3404 South 45th Street in Tacoma. Pursuant to TPU Surplus Real Property Disposition Policy #121, this property - as part of a group of Tacoma Power and Water properties - was declared surplus and offered to other City departments and the Puyallup Tribe, and was part of the Affordable Housing RFP. None of these parties expressed an interest in acquiring the property. Therefore, we are now at Step 4 of the TPU Policy, and have created a site-specific Marketing Strategy to dispose of this Category 2 property, i.e. one that is believed to have economic value or functional utility and is likely to appeal to a wide market. Thus, this strategy prioritizes maximizing ratepayer return while remaining consistent with TPU Board strategic directives.

Previous to the foregoing efforts, Real Property Services had received inquiries from other parties regarding the availability of this property. Also, we recently received an offer to purchase the property for \$250,000. Therefore, in order to timely respond to this offer, while at the same time affording the parties who had previously made inquiries, together with the public at large, the opportunity to submit an offer on the property, Real Property Services recommends that for a 2-week marketing period we solicit offers from the other parties, with a minimum price of \$250,000, while simultaneously listing the property on the City's surplus website at the same minimum price. Once the marketing period is over, we can then negotiate with any parties that have submitted bone fide offers, and enter into a Purchase and Sale Agreement with the party providing the best offer in the opinion of Real Property Services and Tacoma Power.

If you approve this Marketing Strategy, please so indicate by signing below.

APPROVED:

Jackie Flowers, Director of Utilities

10/05/2021

Date

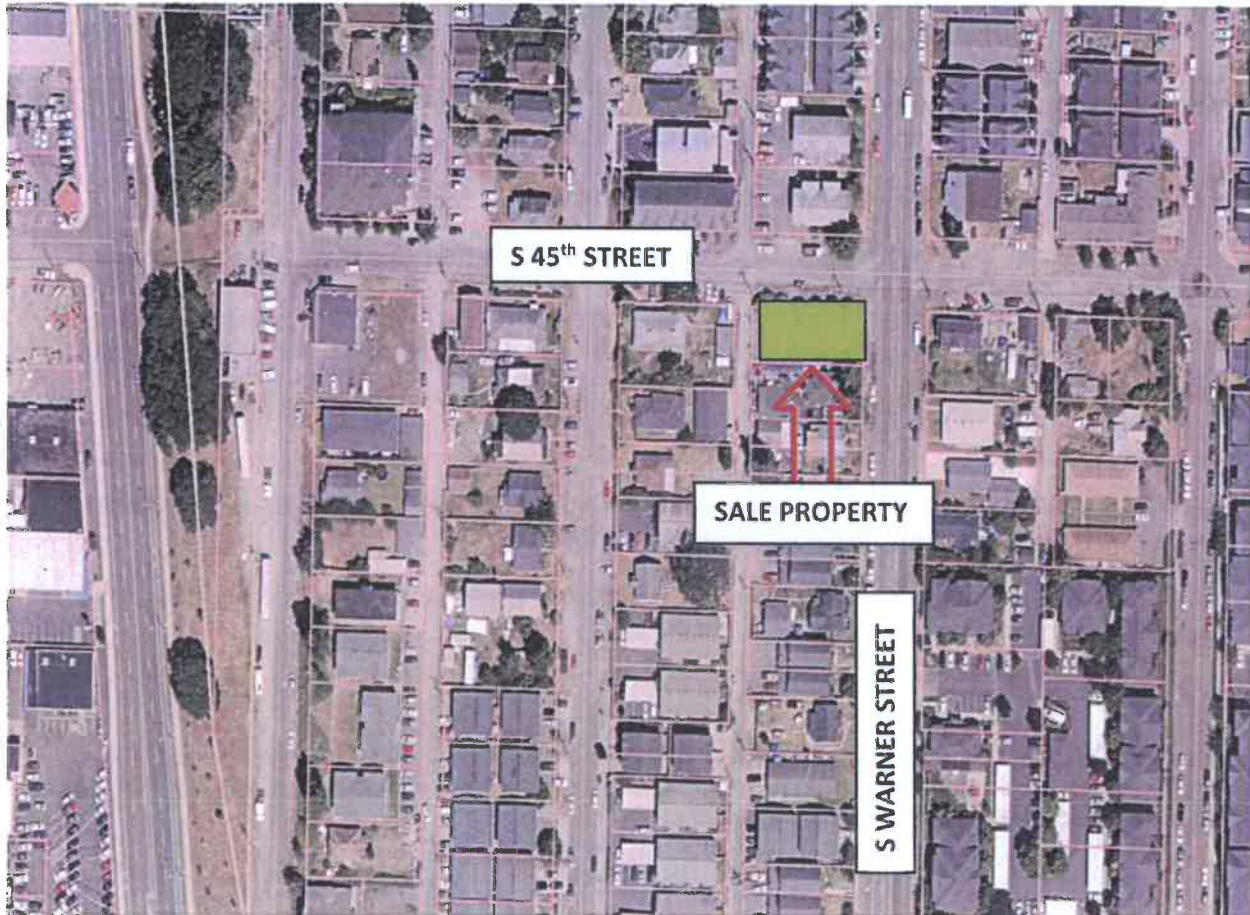
cc: Jennifer Hines, Public Works ADM for Facilities Management/Real Property Services



LOCATION MAP

TACOMA POWER FORMER WARNER SUBSTATION SITE

SALE TO CHRIS AND MITZI DUNAYSKI



PIERCE COUNTY TAX PARCEL NO. 2890002480

6,350± SF OF LAND

3404 S 45th STREET

CITY OF TACOMA, WA

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
LIGHT DIVISION
REAL ESTATE PURCHASE AND SALE AGREEMENT
AGREEMENT NO. A3305**

Reference No.: P2021-163

**Seller: City of Tacoma, Department of Public Utilities,
Light Division, (d.b.a. Tacoma Power)**

**Buyer: Chris and Mitzi Dunayski
Abbreviated**

Legal Description: Portion of S18, T20N, R3E, W.M., Pierce Co., WA

County: Pierce

Tax Parcel No.: Pierce County Assessor TPN 2890002480

This REAL ESTATE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into as of January 25, 2022 (the Agreement Date) between the **CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (d.b.a. Tacoma Power)** a first class municipal corporation ("Seller") and Chris Dunayski and Mitzi Dunayski, husband and wife, ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain real property identified herein as the Property as more particularly described in Section 1. below.

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

AGREEMENT

1. Real Property. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement, the real property located in the County of Pierce and State of Washington, more particularly described as follows:

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Also known as Pierce County Assessor Tax Parcel No. 2890002480 (the "Property").

2. Deposit. Upon execution of the Agreement by both Seller and Buyer (the "Agreement Date"), Buyer shall deliver to Stewart Title Insurance Company in Pierce County, Washington (the "Title Company"), as escrow agent for the Closing of this transaction, an earnest money deposit in the amount of Five Thousand and No/100 U.S. Dollars (**\$5,000.00**) (the "Deposit") as part payment of the purchase price of the Property. The Deposit will be held in an interest-bearing account by the Title Company for the benefit of the parties pursuant to the terms of this Agreement. Any interest that accrues on the Deposit will be for the benefit of Buyer; provided, however, that if Buyer forfeits the Deposit to Seller pursuant to the terms of this Agreement, then all interest accrued on

the Deposit will be paid to Seller. Unless otherwise provided in this Agreement, the Deposit and any accrued interest shall be applied to the Purchase Price.

3. Purchase Price. The total purchase price for the Property (the "Purchase Price") will be **TWO HUNDRED AND FIFTY THOUSAND and No/100 U.S. Dollars (\$250,000.00)**, to which the Deposit shall be a fully applicable part. The Purchase Price, including the Deposit, will be paid by Buyer to the Title Company, for further distribution to Seller by wire transfer at Closing.

4. Title to Property.

4.1 Conveyance. At Closing, Seller shall convey to Buyer fee simple title to the Property by a duly executed and acknowledged quit claim deed (the "Deed") substantially in the form of **Exhibit "A"** attached hereto and by this reference incorporated herein, subject only to those encumbrances that Buyer approves pursuant to Section 4.3. below (the "Permitted Encumbrances").

4.2 Preliminary Commitment and Title Policy. Upon the Agreement Date, Seller authorizes Buyer to order a preliminary commitment, at Buyer's option and expense, for an owner's standard coverage policy of title insurance in the full amount of the Purchase Price to be issued by the Title Company and accompanied by copies of all documents referred to in the commitment (the "Preliminary Commitment").

4.3 Condition of Title. Buyer shall advise Seller by written notice what encumbrances to title, if any, are disapproved by Buyer ("Disapproved Encumbrances") within ten (10) business days of receipt of the Preliminary Commitment. All monetary encumbrances other than non-delinquent ad valorem property taxes will be deemed to be disapproved. Seller will have ten (10) business days after receipt of Buyer's notice to give Buyer notice that (i) Seller will remove Disapproved Encumbrances, or (ii) Seller elects not to remove Disapproved Encumbrances. If Seller fails to give Buyer notice before the expiration of the ten (10) day period, Seller will be deemed to have elected not to remove Disapproved Encumbrances. Notwithstanding anything to the contrary in this Agreement, Seller shall remove from title on or before the Closing Date all monetary encumbrances other than those approved by Buyer. If Seller elects not to remove any Disapproved Encumbrances, Buyer will have fifteen (15) business days to notify Seller of Buyer's election either to proceed with the purchase and take the Property subject to those encumbrances, or to terminate this Agreement. If Buyer elects to terminate this Agreement pursuant to this section, the escrow will be terminated, the Deposit will be returned immediately to Buyer, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. If this Agreement is terminated, Buyer solely shall bear any costs of terminating the escrow and any cancellation fee for the Preliminary Commitment.

4.4 Title Policy. At Closing, at Buyer's option and expense, Buyer shall cause the Title Company to issue to Buyer a standard coverage owner's policy of title insurance insuring Buyer's title to the Property in the full amount of the Purchase Price subject only to the Permitted Encumbrances (the "Title Policy"). The Title Policy must be dated as of the Closing Date.

5. Conditions to Closing. The Buyer acknowledges and agrees that this Agreement is conditioned upon the following:

5.1 Tacoma Public Utility Board and Tacoma City Council Approval. This Agreement, and the transaction contemplated hereby, must be duly approved by the Tacoma Public Utility Board and the Tacoma City Council prior to Closing. If said approvals are not obtained, this Agreement will terminate, and the Deposit, less any costs advanced or committed for Buyer as authorized herein, or other costs

subsequently agreed to in writing, will be returned immediately to Buyer, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. Nothing in this Paragraph 5.1 will obligate Seller to obtain Tacoma Public Utility Board or City Council approval beyond the ordinary course of City of Tacoma and Department of Public Utilities procedures.

- 5.2 Buyer's Indemnification. Buyer agrees to assume all liability for and to defend, indemnify and save Seller harmless from all liability and expense (including reasonable costs and attorneys' fees) in connection with all claims, suits and actions of every name, kind and description brought against Seller or its agents or employees by any person or entity as a result of or on account of injuries or damages to persons, entities and/or property received or sustained, arising out of, in connection with, or as a result of the acts or omissions of Buyer, or its agents or employees in exercising its rights under this Agreement, except for claims caused by Seller's sole negligence.
- 5.3 Buyer Feasibility Study. Buyer hereby waives the right to conduct inspections or feasibility studies related to the Property and will take title to the Property on an as-is basis.
- 5.4 Non-Suitability. Buyer hereby waives the right to terminate this Agreement if, in Buyer's good faith judgment, the Property is not suitable for Buyer's intended use. However, in the event Buyer does not complete the purchase, Buyer shall promptly repair any damage to the Property caused by or resulting from the activities of Buyer or its agents or employees, returning the Property as near as is practicable to its original condition.

6. Condition of the Property.

- 6.1 "As Is". Per Section 5.3. Buyer has waived the right to conduct inspections and feasibility studies; nevertheless, Buyer acknowledges and agrees that the Property is to be purchased, conveyed and accepted by Buyer in its present condition, "AS IS," and that no patent or latent defect in the physical or environmental condition of the Property whether or not known or discovered, shall affect the rights of either party hereto.

Buyer expressly waives any and all defects in the physical, environmental and economic characteristics and condition of the Property, whether or not such defects were disclosed by Seller or revealed during any Buyer inspection. Buyer further acknowledges that, except for the Disclosure Statement required by state law and discussed in Section 28 below, neither Seller nor any other person or entity acting on behalf of Seller has made any representations, warranties or agreements (express or implied) by or on behalf of Seller as to any matters concerning the Property, including (a) the present use thereof or the suitability for Buyer's intended use of the Property; (b) the presence of any "Hazardous Substances," which include any substance that is regulated under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Solid Waste Disposal Act (SWDA) as amended by the Resource Conservation and Recovery Act (RCRA), The Toxic Substances Control Act (TSCA), or the Washington State Model Toxics Control Act (MTCA); or (c) the threat, existence, or nonexistence of any "Environmental Liability," which includes any claims that may be brought and any order that may be issued pursuant to one of the statutes listed above and associated regulations, claims based upon common law causes of action for trespass, negligence, nuisance or other common law theories, claims for lost property value, claims for business losses, and claims for personal injuries arising from or related to Hazardous Substances.

Any documents furnished to Buyer by Seller relating to the Property shall be deemed furnished as a courtesy to Buyer but without warranty, guaranty, or representation from the Seller.

Seller shall surrender the Property in as good condition, except for normal wear and tear, as exists on the Agreement Date. Seller agrees that it will not damage nor commit waste on the Property between the Agreement Date and Closing.

6.2 Release. Except with respect to Seller's representations and warranties expressly provided in this Agreement, Buyer releases, acquits, and forever discharges, Seller and its directors, officers, employees, and agents from any and all statutory, common law, and other claims, obligations, causes of action, losses, damages, liabilities, costs and expenses (including without limitation attorney fees directly or indirectly, arising out of or related to the condition, operation or economic performance of the Property (collectively, "Claims"), including Claims that may arise in the future, that arise out of, or are in any way connected with, either directly or indirectly, the discovery, presence, or remediation of Hazardous Substances in, on, under, or emanating from the Property. Buyer hereby expressly assumes all liability and responsibility for any hazardous materials on or under the property and all costs for remediation of same without regard to source or date of contamination, and shall not seek reimbursement from Seller therefore.

6.3 Inspections. Buyer agrees that it will rely on its own evaluations of the Property to determine the suitability of the Property for Buyer's intended use.

7. Closing. This transaction will be closed in escrow by the Title Company acting as escrow agent ("Escrow Agent"). The closing will occur not later than 1) April 15, 2022 or 2) thirty (30) days following satisfaction of all conditions set forth under Section 5. Conditions to Closing herein (the "Closing Date") whichever event occurs first. "Closing", for the purpose of this Agreement, is defined as the date that all documents are executed, the sale proceeds are available for disbursement to Seller, and legal title of the Property passes to Buyer. If Closing does not occur on or before the Closing Date, or any later date mutually agreed to in writing by Seller and Buyer, the Escrow Agent will immediately terminate the escrow, forward the Deposit to the party entitled to receive it as provided in this Agreement and return all documents to the party that deposited them. When notified by the Escrow Agent, Buyer and Seller will deposit with Escrow Agent without delay all instruments and monies required to complete the transaction in accordance with this Agreement.

8. Closing Costs and Proration. If title insurance is elected by the Buyer, Buyer shall pay the premium for a standard coverage owner's policy of title insurance in the full amount of the Purchase Price. Buyer shall pay the additional premium, if any, attributable to an extended coverage owner's policy of title insurance (if elected by Buyer) and any endorsements required by Buyer. Buyer shall also pay state of Washington real estate excise taxes applicable to the sale, if any, the cost of recording the deed, and the Escrow Agent's escrow fee. Property taxes and assessments for the current year, water and other utility charges, if any, shall be prorated as of the Closing Date unless otherwise agreed. Seller is a property tax exempt organization pursuant to R.C.W. 84.36.010, and therefore property taxes will only be due from Buyer for its ownership from and after the Closing Date.

9. Casualty Loss. Seller shall promptly notify Buyer of any event prior to the Closing Date which causes damage to or destruction of any portion of the Property. If Buyer and Seller cannot come to an agreement regarding any such damage to or destruction of the Property, including the settlement of any insurance claims, then Buyer and Seller will each have the right to terminate this Agreement by giving written notice of termination to the other party within twenty (20) days after receipt of actual notice of such casualty loss. Upon exercise of such termination election by either party, this Agreement will terminate, and the Deposit will be returned to Buyer.

10. Possession. Seller shall deliver possession of the Property to Buyer upon Closing.
11. Events of Default. In the event Buyer fails, without legal excuse to complete the purchase of the Property, then the Deposit shall be forfeited to Seller as the sole and exclusive remedy available to Seller for such failure. In the event Seller fails, without legal excuse, to complete the sale of the Property, Buyer shall be entitled to immediate return of the Deposit, and may pursue any remedies available to it in law or equity, including specific performance.
12. Notices. Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, given by mail or e-mail. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller: Tacoma Public Utilities – Real Property Services
ABS – 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409
e-mail: gmuller@cityoftacoma.org

Buyer: Chris and Mitzi Dunayski
6912 81st St Ct E
Puyallup, WA 98371
e-mail: chris@gordontjacob.com

Any notice will be deemed to have been given, when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail, and if delivered by e-mail, the same day as verified by electronic "Delivery Receipt".

13. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Electronically transmitted signatures shall be fully binding and effective for all purposes.

14. Brokers and Finders. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the Closing of this transaction.

15. Professional Advice. Seller and Buyer hereby acknowledge that it may be advisable for either or both parties to obtain independent legal, tax or other professional advice in connection with this transaction, as the terms and conditions of this Agreement affect the parties' rights and obligations. The parties agree that they have satisfied themselves that they understand the terms and conditions of this sale and have accepted full responsibility to seek such professional advice as they deem necessary.

16. Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

17. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of Closing, will be deemed to be material, and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title. Such representations and warranties, however, are not assignable and do not

run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.

18. Governing Law. This Agreement will be governed and construed in accordance with the laws of the state of Washington.

19. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy proceeding.

20. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

21. FIRPTA. If required, Seller will prepare a certification or equivalent that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA"), and Seller agrees to sign this certification. If Seller is a "foreign person" as the same is defined by FIRPTA, and this transaction is not otherwise exempt from FIRPTA, Seller will withhold and pay the required amount to the Internal Revenue Service.

22. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.

23. Nonmerger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations, will not merge in, but will survive the Closing of the transaction contemplated under this Agreement.

24. Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may not be unreasonably withheld or delayed.

25. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.

26. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to give effect to the Agreement contemplated herein.

27. Survival. Any terms, conditions, or provisions of this Agreement which by their nature should survive shall survive the Closing of the sale.

28. Waiver of RCW 64.06 Disclosure. Buyer and Seller acknowledge that the Property may constitute "Commercial Real Estate" or "Residential Real Property" as defined in RCW 64.06.005. Buyer waives receipt of the seller disclosure statement required under RCW 64.06 for transactions involving the sale of such real property, except for the section entitled "Environmental." The Environmental section of the seller disclosure statement (the "Disclosure Statement") shall be provided to Buyer within five business days after acceptance of this Agreement. Buyer shall within three business days thereafter either deliver written notice to Seller to rescind the Agreement, else the Disclosure Statement will be deemed approved and accepted by Buyer. If Buyer rescinds this Agreement, the Purchase Price (including the Deposit, but less any costs advanced or committed

for Buyer as authorized herein, or other costs subsequently agreed to in writing) will be returned immediately to Buyer, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement.

29. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

30. Right of Entry and Temporary Construction Permit. In addition to the Purchase Price as consideration for sale of the property, purchaser agrees, upon demand by Seller (the "ROE/TCP Notice"), in furtherance of a City of Tacoma Environmental Services project, to execute and deliver to Seller the Right of Entry & Temporary Construction Permit (**Exhibit "B"**). The obligation to sign said construction permit shall survive Closing. The parties agree that the executed Right of Entry & Temporary Construction Permit will not be recorded with the Pierce County Auditor and will not become an encumbrance to title, either Permitted, as defined in Section 4.1, or Disapproved, as defined in Section 4.3, both above.

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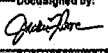
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.


SELLER:

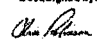
BUYER:

TACOMA POWER

CHRIS AND MITZI DUNAYSKI

DocuSigned by:

01/25/2022
Date
Jackie Flowers,
Director of Utilities

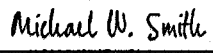
DocuSigned by:

01/17/2022
Date
Chris Dunayski

DocuSigned by:

Chris Robinson,
Power Superintendent

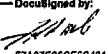
DocuSigned by:


01/21/2022
Date
Mitzi Dunayski


Approved as to form:

DocuSigned by:

Michael W. Smith,
Deputy City Attorney

City of Tacoma Review

DocuSigned by:

Joseph A. Wilson,
Power Section Manager

DocuSigned by:

John Nierenberg,
Power Section Assistant Manager

DocuSigned by:

Ron Ayers,
Tacoma Power Chief Surveyor

DocuSigned by:

Andrew Cherullo,
Director of Finance

ES

TP

SC

EXHIBIT "A"

After Recording Mail To:

TACOMA PUBLIC UTILITIES
ABS 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409
Attn: Real Property Services

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
QUIT CLAIM DEED NO. 6782**

Reference No. P2021-163
Grantor: City of Tacoma, Department of Public Utilities, Light
Division (d.b.a. Tacoma Power)
Grantee: Chris and Mitzi Dunayski
Abbr. Legal Description: Portion of S18, T20N, R3E, W.M., Pierce Co., WA
Tax Parcel No.: Pierce County Assessor TPN 2890002480

The Grantor, CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (d.b.a. Tacoma Power), a first class municipal corporation, for and in consideration of TWO HUNDRED AND FIFTY THOUSAND and No/100 U.S. Dollars (\$250,000.00), conveys and quit claims to Chris Dunayski and Mitzi Dunayski, husband and wife, as Grantee, all interest in the following described real property situate in Pierce County, State of Washington, to-wit:

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Also known as Pierce County Assessor Tax Parcel No. 2890002480

Authorized by City Council Resolution No. _____ adopted on _____
at the request of Public Utility Board Resolution No. U-_____ adopted on
_____.

IN WITNESS WHEREOF, said corporation has caused this instrument to be
executed by its proper officers this on _____.

CITY OF TACOMA

By: _____
Mayor

Attest:

City Clerk

Accepted by Grantee

By: _____
Printed Name: Chris Dunayski
Date: _____

By: _____
Printed Name: Mitzi Dunayski
Date: _____

P2021-163/D6782

**CITY OF TACOMA
DEPT. OF PUBLIC UTILITIES**

APPROVED:

Jackie Flowers,
Director of Utilities

AUTHORIZED:

Chris Robinson,
Power Superintendent

REVIEWED:

Joseph A. Wilson,
Power Section Manager

John Nierenberg,
Power Section Assistant Manager

REVIEWED:

Ron Ayers,
Tacoma Power Chief Surveyor

APPROVED AS TO FORM:

Michael W. Smith,
Deputy City Attorney

EXHIBIT "B"

**CITY OF TACOMA ENVIRONMENTAL SERVICES DEPARTMENT
RIGHT OF ENTRY & TEMPORARY CONSTRUCTION PERMIT**

Reference No. 21-060-15
Document No. A-1204
Grantors: CHRIS DUNAYSKI AND MITZI DUNAYSKI
Grantee: CITY OF TACOMA, ENVIRONMENTAL SERVICES DEPARTMENT
Legal Description: SW ¼ OF THE SW ¼, SECTION 18, TOWNSHIP 20 N, RANGE 3 E,
W.M., Pierce Co., WA
Tax Parcel No. 2890002480

WHEREAS, Chris Dunayski and Mitzi Dunayski, husband and wife, the Owner (hereinafter referred to as the "Owner" or the "Grantor") of property situate in the City of Tacoma, Pierce County, Washington, generally described as:

Assessor's Parcel Number: 2890002480
Street Address/Location: 3404 S. 45th St.

WHEREAS, the CITY OF TACOMA, for and on behalf of its Environmental Services Department, hereinafter referred to as the "City", is requesting access to, entry onto and use of the above referenced property, as approximately depicted in Exhibit "A", attached hereto and by this reference incorporated herein, with equipment, materials and personnel necessary for setting forms to construct new sidewalk within the public Right of Way, for removal, relocation and reconstruction of Grantor's fencing and construction of a new gate adjacent to the alley, and for constructing a new asphalt driveway approach from the public alley Right of Way to the Grantor's private property.

WITNESSETH:

For and in consideration of offsetting benefits, the Owner hereby grants to the City, its contractors, employees, agents and assigns, the exclusive right to enter and use a portion of the above described property, as needed, for the purposes herein stated beginning upon execution of this Agreement and ending upon either completion or July 2024, whichever occurs first.

Construction is anticipated to begin approximately First Quarter, 2022 and last for 60 non-consecutive days.

Permission to use the subject property is granted upon the following terms:

1. The City agrees to hold the Owner harmless from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the negligent acts or omissions of the City, its assigns, agents, contractors, licensees, invitees, or employees which may arise out of or in connection with any acts or activities authorized by this Right of Entry Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the willful and/or negligent acts or omissions of the Owner, or by any pre-existing condition on the subject property.

2. It is understood that the City and its employees, contractors, and agents shall make every effort to minimize the impact of its activities on the Owner's property. The City, its employees, contractors and agents shall, except in cases of emergency, limit accesses to normal business hours.

3. It is understood and agreed that during the construction, ownership of any material and equipment placed on the subject property by the City shall at all times remain with the City. Upon completion, it is agreed that all pavement on Owner's property shall become the property of the Owners without any additional need for a deed or bill of sale to transfer such ownership, and shall inure to the Owner's successors in interest. The work performed by the City of Tacoma or city hired contractors carries a warranty that it will be free from defects in materials and workmanship for a period of one-year from the date of completion. All other and future maintenance and repair of the private improvements described herein shall be the Owner's sole responsibility along with all costs associated therewith.

4. Each party warrants to the other that it has authority to enter into and perform this Agreement and it has taken all action required to authorize execution of this Agreement.

This instrument is executed and effective on _____.

GRANTOR:

Chris Dunayski

Mitzi Dunayski

CITY OF TACOMA

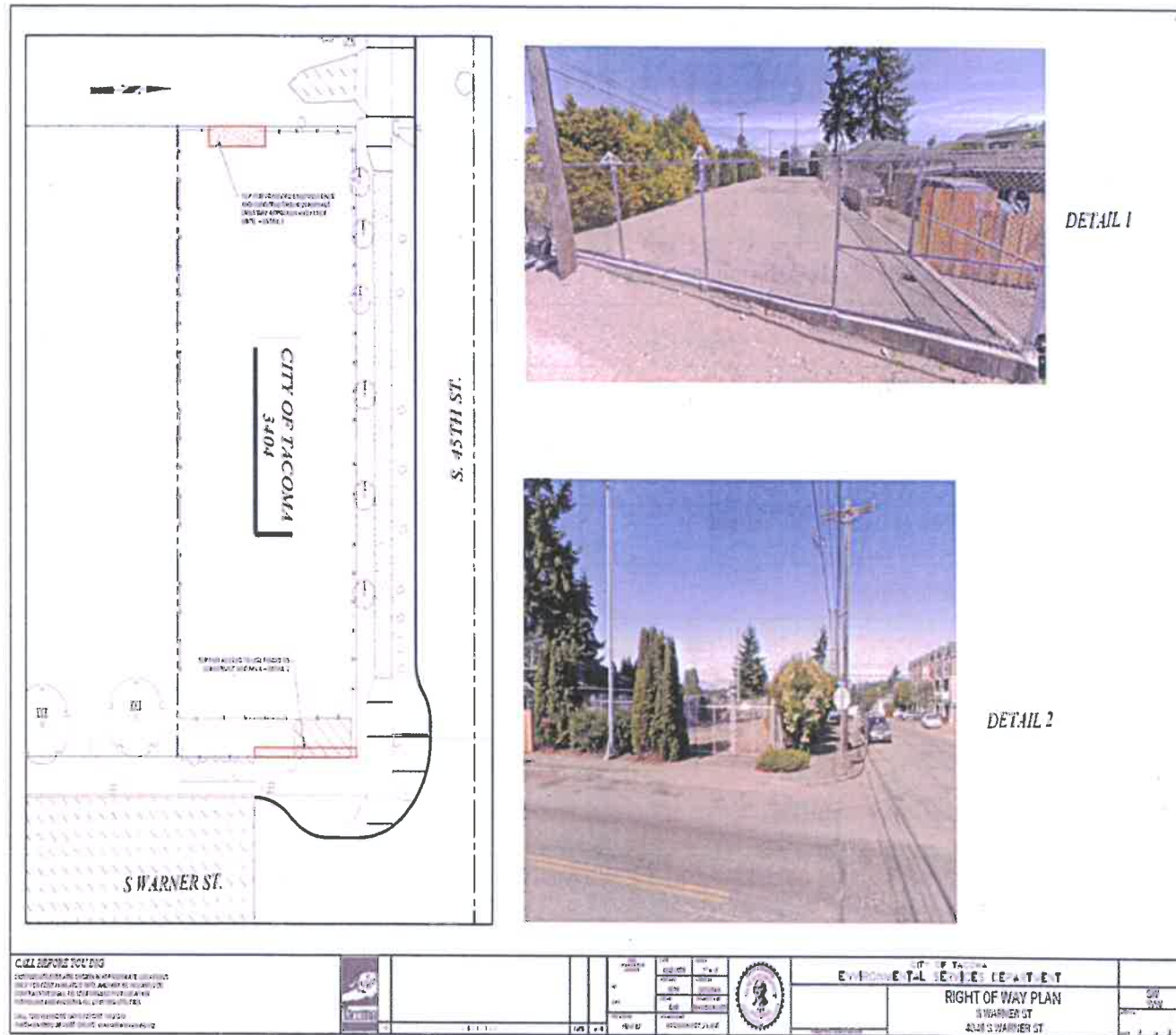
Michael P. Slevin III, P.E.
Environmental Services Director

John Burk, P.E.
Division Manager
Environmental Services/Science & Engineering

Approved as to form:

Deputy City Attorney

EXHIBIT "A"



CALL BEFORE YOU DIG
 CALL BEFORE YOU DIG IS A SERVICE PROVIDED BY THE CITY OF TACOMA. IT IS A SERVICE PROVIDED BY THE CITY OF TACOMA. IT IS A SERVICE PROVIDED BY THE CITY OF TACOMA. IT IS A SERVICE PROVIDED BY THE CITY OF TACOMA.



PROJECT NO.	21-060-15
DATE	10/15/21
PROJECT NAME	MADISON DISTRICT GREEN INFRASTRUCTURE PROJECT
PROJECT LOCATION	3404 S. 45TH ST.



CITY OF TACOMA
ENVIRONMENTAL SERVICES DEPARTMENT
RIGHT OF WAY PLAN
 3404 S. 45TH ST.
 3404 S. WARNER ST.

DATE	10/15/21
SCALE	AS SHOWN

SIGNATURE ROUTING SHEET

DECLARATION OF SURPLUS – TACOMA POWER AND TACOMA WATER

Order of Routing	Routing	Name	Initial	Date
1.	Tacoma Power – T&D Assistant Manager	John Nierenberg	JN	09/09/20
1.	Tacoma Water – Division. Manager	Greg Volkhardt	GV	09/01/20
2.	Tacoma Power – T&D Manager	Joe Wilson	gaw	09/09/20
3.	Tacoma Water - Superintendent	Scott Dewhirst	SD	09/10/20
3.	Tacoma Power - Superintendent	Chris Robinson	CR	09/10/20
4.	Director of Utilities	Jackie Flowers	JF	09/11/20

Please initial above and sign documents where indicated.

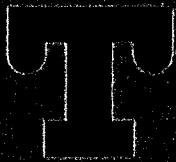
DESCRIPTION

The attached Declaration of Surplus seeks approval to commence the surplus disposition of several Tacoma Power and Tacoma Water properties. All are located within the City of Tacoma and have been identified as potential Category 1 properties as defined in TPU Board Policy #121 and in furtherance of the City's Affordable Housing initiative under RCW 39.33.015. Per the Policy, upon signed Declaration of Surplus, next steps include notification to COT internal parties, and then the Puyallup Tribe (with Government Relations guidance) if no internal party expresses interest. Please review and sign or initial and date where indicated.

Enclosures: Declaration of Surplus, Legal Description Exhibits A and B, Property Profiles, TPU Surplus Real Property Disposition Policy #121, TPU Board Resolution U-11144

PLEASE RETURN EXECUTED DOCUMENTS TO:

Greg Muller, Real Estate Officer
REAL PROPERTY SERVICES
ABS 2nd Floor
x 8256



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

Date: 09/11/20

From: Jackie Flowers, Director of Utilities

To: Dylan Harrison, Senior Real Estate Officer, Real Property Services

Subject: Declaration of Surplus of Tacoma Power Properties – 2101 N Highland, and Downing, Lincoln Park, and Warner Substation Sites, and Tacoma Water Properties – “South 40th & ‘A’ Street” and “South 45th & Union Avenue”

Tacoma Power owns three parcels of land located within the corporate limits of the City of Tacoma identified as Pierce County Assessor Tax Parcel Numbers 7475022110, 5275000720, and 2890002480. All are former substation sites – Downing, Lincoln Park, and Warner - that have previously been decommissioned and were declared surplus in 2009 pursuant to TPU Board Resolution No. U-10270 and City Council Resolution No. 37730. All parcels failed to sell during a prior sealed-bid disposal process. Tacoma Power also owns a fourth parcel identified as Tax Parcel Number 7045000390, which was previously used as part of a transmission line corridor.

Tacoma Water owns four parcels of land located within the corporate limits of the City of Tacoma identified as Pierce County Assessor Tax Parcel Numbers 0220134012, 2890000730, 2890002850, collectively known as the “South 45th & Union Avenue” property; and Tax Parcel Number 7470021810 known as the “South 40th and ‘A’ Street” property.

Legal descriptions for each parcel are found on the attached Exhibit “A” for Tacoma Power and Exhibit “B” for Tacoma Water.

The TPU Board recently adopted a revised Surplus Real Property Disposition Policy effective as of March 15, 2020, and this memorandum serves as the Declaration of Surplus to ensure all steps required by that policy will be followed in the disposition of the properties.

Upon review by Tacoma Power and Tacoma Water management, it has been concluded that there is no foreseeable need for Tacoma Power and Tacoma Water to retain ownership of their respective properties. Therefore, pursuant to City of Tacoma Municipal Code Section 1.06.280, and subject to the reservation of any required easements, restrictions, or covenants, I hereby certify that these properties have no further public use, are surplus to the needs of Tacoma Public Utilities, and that disposing of them would be in the best interests of the City of Tacoma.

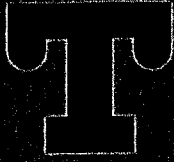
APPROVED:

Jackie Flowers

Jackie Flowers, Director of Utilities

cc: Jennifer Hines, Public Works ADM for Facilities Management/Real Property Services





TACOMA PUBLIC UTILITIES
 3628 South 35th Street
 Tacoma, Washington 98409-3192

EXHIBIT "A" - Tacoma Power Legal Descriptions

SUBJECT TO the reservation of any required easements, restrictions, or covenants:

2101 North Highland - TPN: 7045000390

That portion of Lots 13 and 14 of Puget Sound Homestead Association plat in the Southwest Quarter of the Northeast Quarter of Section 35, Township 21 North, Range 2 East, W.M., as per plat recorded in Volume 1 of Plats, Page 30, records of the Pierce County Auditor, and described as follows:

Beginning at the southwest corner of said Lot 13; thence north along the west thereof 125.05 feet; thence South $56^{\circ} 56' 0''$ East 232.65 feet, more or less, along the northerly line of transmission line right of way as described in Judgment of Pierce County Superior Court Cause No. 53042 dated June 23, 1924, to the south line of said Lot 14; thence westerly 195.63 feet, more or less, along said south line of said Lots 13 and 14 to the point of beginning;

Except that portion dedicated for street by City of Tacoma Ordinance No. 14799 dated May 27, 1953;

All situate in the City of Tacoma, County of Pierce, State of Washington.

Downing Substation - TPN: 7475022110

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Lincoln Park Substation - TPN: 5275000720

A portion of Lots 1 to 4, inclusive, Block 17, Lincoln Park Addition to Tacoma, Washington, according to plat recorded in Book 7 of Plats at page 111, described as follows: Commencing at the SEC of Section 8, Township 20 N, Range 3 E of the W.M.; thence S $89^{\circ} 45' 45''$ W along the south boundary of said section 1303.0 feet to the SWC of Lincoln Park Addition to Tacoma as now platted; thence N $0^{\circ} 05' 15''$ E along the west boundary of said Addition 30.0 feet to the true point of beginning; thence continuing N $0^{\circ} 05' 15''$ E along said west boundary a distance of 119.5 feet; thence S $89^{\circ} 54' 45''$ E 79.33 feet; thence S $0^{\circ} 50' 22''$ W 104.33 feet; thence on a curve to the right having a radius of 15 feet through an angle of $88^{\circ} 55' 23''$; thence S $89^{\circ} 45' 45''$ W 63.04 feet to the point of beginning.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Warner Substation - TPN: 2890002480

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.



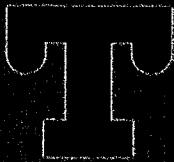
TACOMA
POWER



TACOMA
WATER



TACOMA
RAIL



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

EXHIBIT "B" - Tacoma Water Legal Descriptions

SUBJECT TO the reservation of any required easements, restrictions, or covenants:

South 40th & 'A' Street - TPN: 7470021810

That portion of Block 73, Amended Map of the First School Land Addition to the City of Tacoma, according to the plat filed for record July 22, 1903 in Volume 7 of Plats, Pages 77 and 77A, in the records of the Pierce County Auditor, described as follows:
BEGINNING 100 feet North and 150 feet East of the Southwest corner of said Block 73; thence East 76.725 feet; thence North 120 feet; thence East 110 feet; thence North 161 feet; thence East 40 feet; thence North 50 feet; thence west 176.725 feet; thence South 131.5 feet; thence West 50 feet; thence South 200 feet, more or less, to the POINT OF BEGINNING;

Situate in the City of Tacoma, County of Pierce, State of Washington.

South 45th & Union Avenue - TPN: 2890000730, 0220134012, 2890002850

Parcel A: Tax Parcel No. 2890000730:

Lots 11 and 12, Block 18, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Parcel B: Tax Parcel No. 0220134012:

That portion of the Southeast Quarter of the Southeast Quarter of Section 13, Township 20 North, Range 2 East, W.M., Pierce County, Washington, described as follows:
BEGINNING at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 13; thence west along the northerly boundary of said Southeast Quarter of the Southeast Quarter 74 feet, more or less, to the east boundary line of the water flume right-of-way; thence southeasterly along the easterly boundary line of said right-of-way 657 feet, more or less, to the east line of said Southeast Quarter of the Southeast Quarter; thence north 652.42 feet, more or less, to the POINT OF BEGINNING;

Parcel C: Tax Parcel No. 2890002850:

Lots 2 through 6, inclusive, Block 45, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Situate in the City of Tacoma, County of Pierce, State of Washington.



Tacoma Public Utilities

Policy #121

Department owner/sponsor:
Tacoma Public Utilities

Effective: March 15, 2020

Policy: Tacoma Public Utilities – Surplus Real Property Disposition Policy

1. Purpose

Provide direction to the City of Tacoma, Department of Public Utilities (“TPU”) and the TPU Real Property Services section (“Real Property Services”) for the disposition of TPU surplus real property.

2. Background

TPU owns a variety of properties to meet its utility-related needs. TPU should retain such properties and dispose of properties that do not meet these needs. Unless otherwise authorized in accordance with applicable laws, TPU must receive at least fair market value for the property.

TPU considerations for surplus real property dispositions include:

- Fair Market Value Requirement (except for Affordable Housing)
- City of Tacoma Affordable Housing and Equity Goals
- Tribal and Other Jurisdictional Interests
- TPU Board Strategic Directives

TPU properties are located both within the City of Tacoma (City) incorporated limits and within other towns, cities and counties in which TPU conducts business. TPU recognizes each jurisdiction has unique policies and values relating to the use of property within its boundaries.

TPU encourages continued public use of TPU surplus property, and will provide preference to a public agency when multiple buyers propose offers comparable in value and terms.

3. Pre-Disposition

TPU adopts the following guidelines for surplus real property dispositions. Each Division of TPU is responsible for developing procedures to ensure TPU retains properties that meet its utility-related needs.

Upon Declaration of Surplus by the Director of Utilities, the following steps shall be followed:

A. Prior to disposing of surplus real property, TPU shall provide notice to all City departments of TPU’s intent to dispose, and shall afford the departments the opportunity to acquire, for at least fair market value, the property via a TPU Board and City Council-approved transfer in accordance with all applicable laws. If no interest is expressed by any City Department, the process shall proceed as outlined in Step B below and then Section 4 below.

B. Following Step A above, TPU shall provide notice to the following parties:

- a) The governing land use authority (except City) in which the property is located (“Governing Authority”); and
- b) Federally-recognized tribes (“Tribes”) located within areas TPU provides utility services and/or owns real property.

Further, TPU shall afford the Governing Authority and Tribes (each hereinafter referred to as “Offeree”) the opportunity to submit a bona fide written offer (the “Offer”) to acquire the property in accordance with all applicable laws.

Any Offeree will be required to pay fair market value, unless the property is acquired for public benefit as defined by RCW 39.33.015 (hereinafter referred to as “Affordable Housing”), and the Offeree has previously enacted rules pursuant to RCW 39.33.015.

If any Offeree declines the opportunity, or fails to submit an Offer within eight (8) calendar weeks after the date of the notice, said opportunity will automatically be deemed waived by such Offeree.

If multiple Offers are submitted, Offerees may be asked to submit final-and-best offers.

TPU, in its sole discretion, reserves the right to select the Offer and Offeree with whom to negotiate a purchase and sale agreement. If TPU and the selected Offeree are unable to consummate a mutually agreeable purchase and sale agreement, the process shall proceed as outlined in Section 4 below.

4. Disposition

If a transfer or sale is not agreed to pursuant to Section 3.A. or 3.B., subsequent to completion of the steps outlined in Section 3 above, surplus real property will be classified into three categories, as follows:

Category 1 properties are within City limits and within a land use zone that permits use suitable for Affordable Housing pursuant to RCW 39.33.015.

Category 1 Disposition: TPU staff will work with the City’s Community and Economic Development Department to develop a fair and equitable approach to conveying surplus real property for Affordable Housing. The Request for Proposals approach, as outlined in the City of Tacoma Purchasing Manual, will be the required method of disposition, and the execution of a Development Agreement will be a requirement prior to conveyance. The baseline requirement of any conveyance is a minimum of twenty-five percent (25%) of proposed units at or below fifty percent (50%) Area Median Income (AMI). Scoring will be weighted in favor of proposals that include at least fifty percent (50%) Affordable Housing units at or below thirty percent (30%) AMI. If no responsive proposals are received, the process shall proceed as outlined in Category 2 Disposition below.

Category 2 properties are developable parcels that have economic value or functional utility and are likely to appeal to a wide market, but do not meet the Category 1 criteria. The anticipation is that most surplus TPU properties will fall within this category.

Category 2 Disposition: Category 2 properties should have site-specific marketing strategies to prioritize maximizing ratepayer return and consistency with TPU Board strategic directives. Said

marketing strategies will be determined on a case-by-case basis, with recommendation by Real Property Services and approval by the Director of Utilities or designee.

Category 3 properties are remnant parcels that have little or no economic value, functional utility or marketability.

Category 3 Disposition: Category 3 properties should be disposed by direct negotiation or via bid-sale process. If no responsive bids are received, the process shall proceed as outlined in Category 2 Disposition above.

5. Minimum Affordable Housing Requirements

Consistent with RCW 39.33.015, TPU requires, at a minimum, the following terms in the conveyance documents for any properties conveyed for Affordable Housing:

- A. The conveyance documents must contain a covenant or other requirement that the property shall be used for Affordable Housing for a pre-determined period of time; and
- B. The conveyance documents must contain remedies that apply if the recipient of the property fails to use it for Affordable Housing or ceases to use it for such purpose.

Notwithstanding the forgoing, nothing herein shall preclude TPU from including additional terms in the conveyance documents for any properties conveyed for Affordable Housing.

6. Alternative Disposition Process

Situations may arise where it is in the best interest of TPU to market or otherwise dispose of a surplus real property through processes not outlined above. In these situations, the process must be approved by the Director of Utilities and TPU Board prior to implementation and it must comply with all applicable laws.

Reference:	PUB Res. U-8640, TMC 1.06.280, Charter Sec 9.1, RCW 35.94.040 & RCW 39.33.015
Contact Info:	Tacoma Public Utilities – Real Property Services – (253) 396-3060
Supersede and Replace:	This policy cancels and supersedes all Tacoma Public Utilities and Division policies and operating procedures established prior to the Effective Date related to the Disposition of Surplus Real Property.
Approval:	Jackie Flowers, Director of Utilities
Effective Date:	March 15, 2020 – This policy is not required to be applicable to any dispositions arising from negotiations initiated prior to the Effective Date. For such dispositions, policy applicability shall be at the discretion of the Director of Utilities or designee.



RESOLUTION NO. U-11144

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A RESOLUTION related to the adoption of a Surplus Real Property Disposition Policy.

WHEREAS the City of Tacoma, Department of Public Works, Real Property Services Division, in collaboration with the Department of Public Utilities, has drafted a Tacoma Public Utilities – Surplus Real Property Disposition Policy to: a) provide direction for the disposition of Tacoma Public Utilities real property; b) better align with Council approved Policy for the Sale/Disposition of City-owned General Government Real Property; and c) enact affordable housing transfer rules consistent with RCW 39.33.015, and

WHEREAS on September 12, 1990, the City of Tacoma's Public Utility Board ("TPU Board") adopted Resolution U-8459, to approve various policies, including Policy 2.2, which directed the department to continue to manage surplus property in a manner that is determined to be in the department's best interest, and

WHEREAS on November 6, 1991, the TPU Board adopted Resolution U-8640 revising Policy No. 2.2 to create additional guidelines regarding disposal of property, including compliance with City Code, Charter and State law, assuring equal opportunity and establishing limited disposition procedures, and

WHEREAS on June 7, 2018, Washington House Bill 2382, went into effect authorizing public agencies to transfer real property for reduced cost for affordable housing, the Bill was codified as RCW 39.33.015, and was contingent upon the governing body or legislative authority of a municipality or political subdivision enacting rules to regulate the disposition, and



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WHEREAS on September 17, 2019, the City Council adopted a revised Disposition Policy for General Government Real Property, which places a high priority on dispositions which increase affordable housing, and adopts a policy concerning how General Government will coordinate with the Puyallup Tribe of Indians concerning general government surplus property, and

WHEREAS on October 9, 2019, Real Property Services presented a draft of the proposed policy for TPU surplus property to the Public Utility Board, and

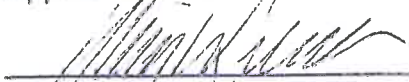
WHEREAS Real Property Services now recommends the adoption of the herein enclosed Tacoma Public Utilities - Surplus Real Property Disposition Policy, and

WHEREAS it is in the best interests of Tacoma Public Utilities and the ratepayers to adopt the proposed policy; Now, therefore,

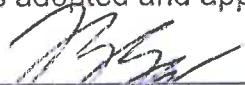
BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

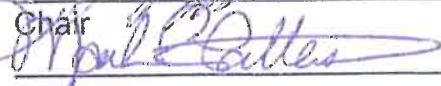
That the Tacoma Public Utilities – Surplus Real Property Disposition Policy, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:

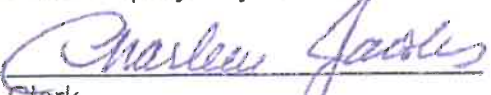


Chief Deputy City Attorney



Chair


Secretary



Clerk

Adopted 3-11-2020

SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "2101 North Highland"

Location: 2101 North Highland Street on the NEC of N Highland St and N 21st Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 7045000390

Parcel Size: 0.14± acres / 5,920± SF

Zoning: R2 – Single Family Dwelling District

Estimated Fair Market Value: TBD. Assessed Value: \$133,100 (\$23.77± per SF).

Ownership History: In May 1924 the City of Tacoma came into title of the property via Pierce County Superior Court Judgment No. 53042 (J120) from Lott and Miller for \$300.00 to construct a portion of the Cushman transmission line. A portion was subsequently dedicated as street right of way via City of Tacoma Ordinance No. 14799 adopted May 27, 1953 and as amended by City of Tacoma Ordinance No. 15050 adopted July 12, 1954. The transmission line was subsequently re-routed and no longer encumbers the property.

Legal Encumbrances: None known. 2020 WFG report No. 20-256106.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

That portion of Lots 13 and 14 of Puget Sound Homestead Association plat in the Southwest Quarter of the Northeast Quarter of Section 35, Township 21 North, Range 2 East, W.M., as per plat recorded in Volume 1 of Plats, Page 30, records of the Pierce County Auditor, and described as follows:

Beginning at the southwest corner of said Lot 13; thence north along the west thereof 125.05 feet; thence South 56° 56' 0" East 232.65 feet, more or less, along the northerly line of transmission line right-of-way as described in Judgment of Pierce County Superior Court Cause No. 53042 dated June 23, 1924, to the south line of said Lot 14; thence westerly 195.63 feet, more or less, along said south line of said Lots 13 and 14 to the point of beginning;

Except that portion dedicated for street by City of Tacoma Ordinance No. 14799 dated May 27, 1953;

All situate in the City of Tacoma, County of Pierce, State of Washington.



Subject Parcel
No. 70450000390

SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "Downing Substation"

Location: 1801 North Orchard Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 7475022110

Parcel Size: 0.30± acres / 13,000± SF

Zoning: R2 - Single Family Dwelling District

Appraised Value: \$123,000 (\$9.50± per SF) as of June 28, 2013, based upon a highest and best use for single family residential development on two lots. This value includes a deduction of \$27,000 in estimated cost to raze existing improvements and land division. 2020 Assessed Value: \$5,200 (\$0.40 per SF).

Ownership History: In July 1953 the City of Tacoma came into title of the property via condemnation (J268) from O.M. and Myrtle A. Robbins for \$1,900.00. Property declared surplus in 2009 via TPU Resolution No. U-10270 and City Council Resolution No. 37730. There was a deal in place to sell the property in 2013 at the appraised value; however, the contracted buyer failed to close on the property. Declared surplus via TPU Res. No. U-10270, Council Res. No. 37730 and Director's Memo dated 12.15.2008.

Legal Encumbrances: None known. 2008 TICOR report No. 3121954-C.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "Lincoln Park Substation"

Location: 1009 South 35th Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 5275000720

Parcel Size: 0.19± acres / 8,165± SF

Zoning: R2 – SRD – Residential Special Review District

Appraised Value: \$100,000 (\$12.25 per SF) as of October 29, 2014, based upon a highest and best use for single family residential development.

Ownership History: In August 1947 the City of Tacoma came into title of the property via Warranty Deed (D3020) from Woodworth & Company, Inc. for \$1,000.00. Declared surplus via TPU Res. No. U-10270, Council Res. No. 37730 and Director's Memo dated 12.15.2008. 2020 Assessed Value: \$4,600 (\$0.56± per SF).

Legal Encumbrances: None known. 2008 TICOR report No. 3121958-C.

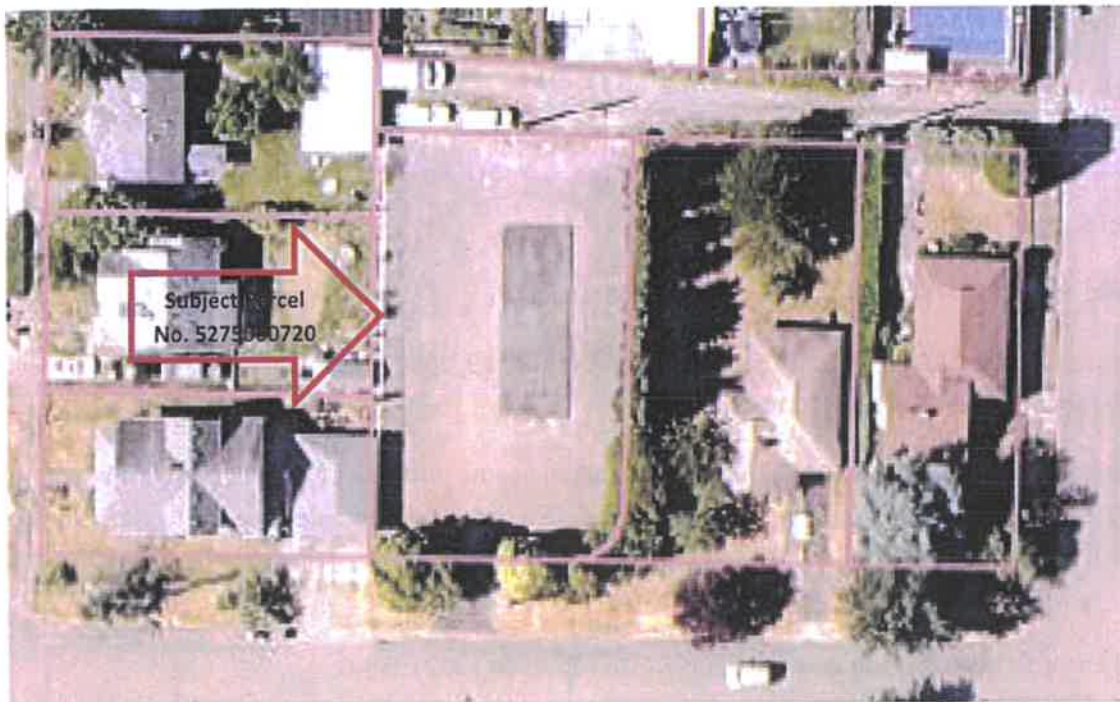
Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

A portion of Lots 1 to 4, inclusive, Block 17, Lincoln Park Addition to Tacoma, Washington, according to plat recorded in Book 7 of Plats at page 111, described as follows: Commencing at the SEC of Section 8, Township 20 N, Range 3 E of the W.M.; thence S 89° 45' 45" W along the south boundary of said section 1303.0 feet to the SWC of Lincoln Park Addition to Tacoma as now platted; thence N 0° 05' 15" E along the west boundary of said Addition 30.0 feet to the true point of beginning; thence continuing N 0° 05' 15" E along said west boundary a distance of 119.5 feet; thence S 89° 54' 45" E 79.33 feet; thence S 0° 50' 22" W 104.33 feet; thence on a curve to the right having a radius of 15 feet through an angle of 88° 55' 23"; thence S 89° 45' 45" W 63.04 feet to the point of beginning.

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "Warner Substation"

Location: 3404 South 45th Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 2890002480

Parcel Size: 0.15± acres / 6,350± SF

Zoning: URX – Urban Residential Mixed-Use District

Appraised Value: \$130,000 (\$20.00 per SF) as of September 16, 2008, based upon a highest and best use for multifamily residential development. The appraisal misstated the subject site size as 6,500 SF and applied a unit value of \$20.00 per SF, for \$130,000. Based on an actual site size of 6,350± SF due to transfer for row of the E 3 feet, indicated value would be \$127,000. 2020 Assessed Value: \$4,400 (\$0.68± per SF).

Ownership History: In May 1948 the City of Tacoma came into title of the property via Warranty Deed (D3078) from Cassandra Eberly for \$400.00. The east 3 feet was transferred to Public Works for road widening in October 1971 via Council Res. No. 21361 and TPU Res. No. U-3850 (Listed in RPS records as D5974 although not in reality a deed and not recorded). Declared surplus via TPU Res. No. U-10270, Council Res. No. 37730 and Director's Memo dated 12.15.2008.

Legal Encumbrances: None known. 2008 TICOR report No. 3121962-C.

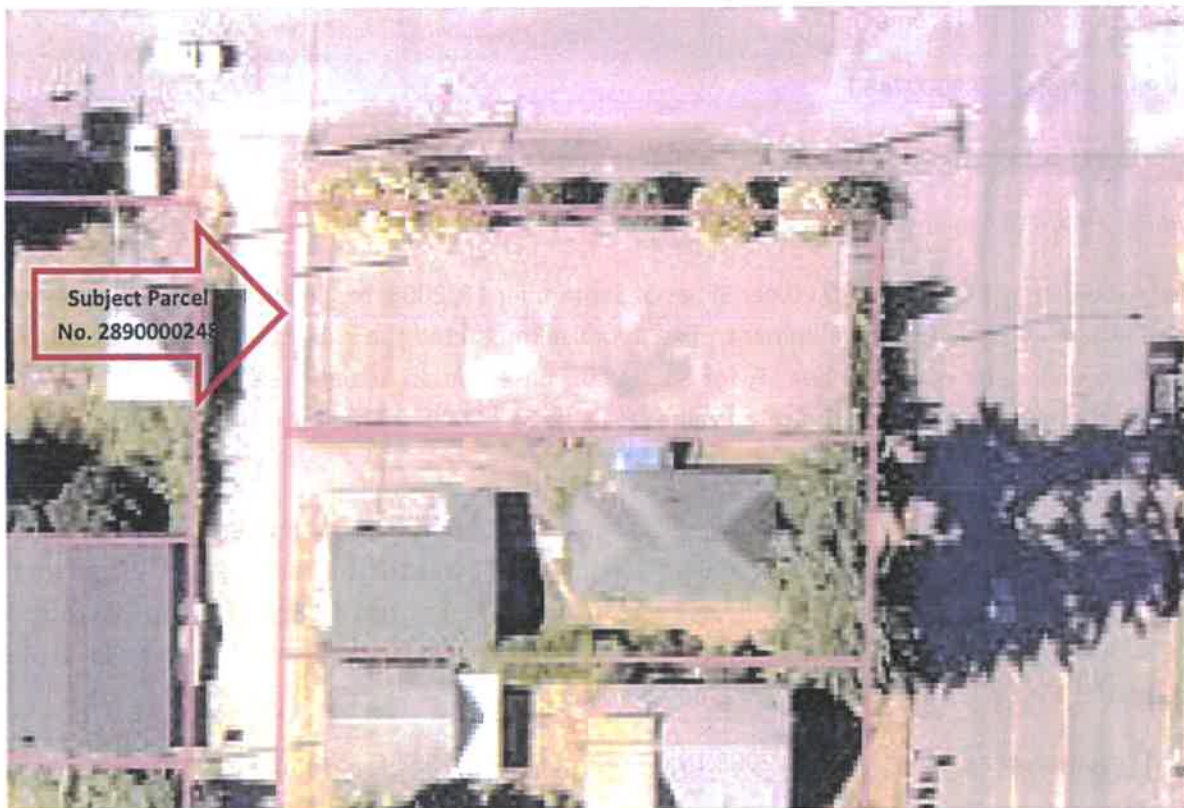
Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Water

Property: "South 40th & "A" Street"

Location: Mid-block between Pacific Avenue and "A" Street and South 38th and South 40th streets. Access is via a partially paved public alley to "A" Street, between 3836 and 3840 "A" Street.

Jurisdiction: City of Tacoma

Tax Parcel No(s): 7470021810

Parcel Size: 1.01± acres / 44,031± SF

Zoning: RCX, Residential Commercial Mixed-Use

Appraised Value: No appraisal. 2020 Assessed Value: \$110,200 (\$2.50± per SF).

Ownership History:

A 50 foot-wide strip was acquired in 1929 via Judgment (J166) pursuant to Ordinance No. 9768 for the Tacoma Eastern Gulch Trunk Sewer with an associated release of easement therefor in 1984 via Resolution No. 28262. Upon payment of \$2,000.00 by Tacoma Water, in July 1975 the "City of Tacoma" ("for the use of its Department of Public Utilities") came into title of the property via Local Improvement Assessment Deed (D6204) as authorized by Resolution No. 23398 for intergovernmental transfer from the LID Guarantee Fund. Stated intent was to use site for fill.

This property may have been used at one time as a landfill – unknown impact on site contamination and utility if not already remediated. However, since A2360 allowed Tacoma Water to deposit "clean fill" on abutting TPN 7470021690, TW likely deposited only "clean fill" on its on site, too.

Legal Encumbrances: None known per 2020 WFG Title Report No. 20-255966.

Restrictions on Disposition: None known. Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

That portion of Block 73, Amended Map of the First School Land Addition to the City of Tacoma, according to the plat filed for record July 22, 1903 in Volume 7 of Plats, Pages 77 and 77A, in the records of the Pierce County Auditor, described as follows:

BEGINNING 100 feet North and 150 feet East of the Southwest corner of said Block 73; thence East 76.725 feet; thence North 120 feet; thence East 110 feet; thence North 161 feet; thence East 40 feet; thence North 50 feet; thence west 176.725 feet; thence South 131.5 feet; thence West 50 feet; thence South 200 feet, more or less, to the POINT OF BEGINNING;

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Water

Property: "South 45th & Union Avenue"

Location: Westerly of Union Avenue at South 45th Street, and easterly of South Tacoma Way.

Jurisdiction: City of Tacoma

Tax Parcel No(s): 2890000730, 2890002850, and 0220134012

Parcel Size: 1.11± acres / 48,273± SF

Zoning: UCX, Urban Center Mixed-Use District.

Appraised Value: No appraisal. 2020 Assessed Value: \$649,400 (\$13.45± per SF).

Ownership History:

TPN 2890002850 was acquired via D4313 in 1960. TPN 2890000730 and TPN 0220134012 were acquired via J267(1) in 1953.

Legal Encumbrances: None known per 2020 WFG Title Report No. 20-256074. Will include a well protection covenant upon disposal.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description: (Subject to internal review and retention of easements, restrictions, covenants):

Parcel A: Tax Parcel No. 2890000730:

Lots 11 and 12, Block 18, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Parcel B: Tax Parcel No. 0220134012:

That portion of the Southeast Quarter of the Southeast Quarter of Section 13, Township 20 North, Range 2 East, W.M., Pierce County, Washington, described as follows:

BEGINNING at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 13; thence west along the northerly boundary of said Southeast Quarter of the Southeast Quarter 74 feet, more or less, to the east boundary line of the water flume right-of-way; thence southeasterly along the easterly boundary line of said right-of-way 657 feet, more or less, to the east line of said Southeast Quarter of the Southeast Quarter; thence north 652.42 feet, more or less, to the POINT OF BEGINNING;

Parcel C: Tax Parcel No. 2890002850:

Lots 2 through 6, inclusive, Block 45, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Situate in the City of Tacoma, County of Pierce, State of Washington.

