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City Council

Approval of a Resolution Authorizing the Sale of the Piperhill/Pacific Drinking Water Utility property

Agenda Date: 10/30/2017
Agenda Item Number: 4.C
File Number: 17-1097

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Authorizing the Sale of the Piperhill/Pacific Drinking Water Utility property

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a resolution approving the sale of the Piperhill/Pacific surplus Drinking Water Utility property to Sean and Tiffany Hooper, Steven and Kathleen Hooper, and CP General, LLC, as tenants in common.

Report

Issue:

Whether to approve the sale of the surplus Piperhill/Pacific Access Road property to Sean and Tiffany Hooper, Steven and Kathleen Hooper, and CP General, LLC, as tenants in common.

Staff Contact:

Jay Burney, Assistant City Manager, 360.753.8740

Ladd Cluff, City Surveyor, Public Works Department, 360.753.8389

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

The Piperhill and Pacific Access Road property, which runs north/south between Piperhill Drive and Old Pacific Highway, was formerly used to access and maintain the Meridian Reservoir, a property owned and maintained by the City's Drinking Water Utility. This access road crosses railroad tracks at its midpoint and due to safety concerns, staff have found alternative means of access to the Reservoir property. As such, the Drinking Water Utility no longer has a use for this access road.

Several private properties along Piperhill Drive and abutting the access road have been using the road to enter/exit their properties. These properties are shown on the attached map. When these properties were developed with single family residences and permitted by the County, ownership or

easement access should have been verified as a condition of granting building permits, but this issue was missed. This oversight has created a situation where these property owners do not have a legal right to access their properties (homes). One of the properties, currently vacant, is planned for development, but private financing is being held up over concerns related to ownership of the access road or lawful easement access.

Up to this point, the City has maintained the access road and assumed liability for those utilizing the access road. Because the City's utility no longer has any use for the road, but the private properties do, staff recommended declaring the property surplus and then moving forward to sell the property to the abutting property owners after the required Public Hearing. On June 6, 2017, the City Council passed a resolution declaring the Piperhill and Pacific Access Road property as surplus to the needs of the City's Drinking Water Utility.

City staff followed the City's *Procedures for Reuse and Disposal of City Real Property*, noticing the property as surplus to the needs of the City and inquiring as to interested parties. Three property owners expressed an interest in acquiring a portion of the access road:

- 1) Sean and Tiffany Hooper - 9432 Piperhill Dr. SE
- 2) Steven and Kathleen Hooper - 9440 Piperhill Dr. SE
- 3) CP General, LLC - 9446 Piperhill Dr. SE

As noted above, these property owners need to acquire this property so that they have legal access to their properties.

The access road property is of minimal value to the City as it is not developable. Its only use is as an access road. The City currently spends \$1,000-\$2,000 per year on maintenance and insurance and carries the liability for any claims/issues that may arise out of the use of the access road, which solely benefits the private property owners with adjacent residences. Staff have determined a fair price for selling the property that would recoup staff time and efforts, and that price is \$7,500. This sum, if split among the three property owners requiring access, would require that each pay \$2,500. Sale of the property also relieves the City of its ongoing maintenance, insurance, and liability costs.

On October 17, 2017, Council held the required Public Hearing and directed staff to move forward with selling the property. The attached Resolution is the formal approval of the sale and authorizes the City Manager to execute any and all documents necessary on behalf of the City of Olympia to convey the property to Sean and Tiffany Hooper, Steven and Kathleen Hooper, and CP General, LLC, as tenants in common.

Neighborhood/Community Interests (if known):

The City no longer uses Piperhill and Pacific Access Road, yet maintenance of the property is currently being borne by the City's Drinking Water Utility rate payers. The property owners adjacent to the access road, who use it to access their properties, have no legal agreements in place to do so due to an error by the County in permitting construction of their homes.

Options:

1. Move to approve a resolution approving the sale of the Piperhill/Pacific surplus Drinking Water Utility property to Sean and Tiffany Hooper, Steven and Kathleen Hooper, and CP General, LLC, as tenants in common.

2. Do not approve the resolution authorizing sale of the property and provide direction to staff on next steps.
3. Retain the Piperhill and Pacific Access Road property and continue to incur maintenance costs and liabilities.

Financial Impact:

The Drinking Water Utility currently bears the costs of maintaining the property. The current cost of maintenance and insurance is approximately \$1,000 - \$2,000 per year. The property is of minimal value as it is not developable, and its only use is for access to the private properties adjacent to it. The \$7,500 in revenue from the sale will be returned to the Drinking Water Utility.

Attachments:

Resolution

Map