

CITY OF TACOMA

Office of Management & Budget

TO: Fiscal Sustainability Task Force

FROM: Andy Cherullo, Finance Director, and Tadd Wille, Budget Officer

SUBJECT: **RESPONSE TO TASK FORCE QUESTIONS**

DATE: September 25, 2013

This correspondence provides answers to questions that have arisen from Task Force Members from the Task Force meeting on September 11, 2013. Please let staff know if you have any additional questions.

Jefferson Street Property – Assessed Value

Task Force members requested information on the assessed value of the Jefferson Street property and clarification of what the one respondent to the RFP offered in their response to the RFP. This was in relation to a newspaper article on the City asking developers for bids on the sale and development of that property.

- According to the Department of Public Works Facility management division, the 6 acres appraised at \$2,950,000 from an appraisal dated May 20, 2013.
- The one developer that responded to the RFP did not offer any specific cash consideration; but instead offered to act as the City's 'fee developer' to master plan and develop the site and then provide City with a portion of the net proceeds of said development. Specifically, the developer proposed that after a master plan was developed, including about three acres for a park, the remaining 3.4 acres could be sold via smaller parcels and that the total the City would yield for this land sale was estimated at \$3.5 million to \$4 million. The City would have to subtract the sales commission to be negotiated from this value to yield net proceeds.

Sound Transit Property Sale

Task Force members requested more information on a property sale from the City to Sound Transit (based on an article in the newspaper).

Sound Transit and the City are finalizing a proposal for the City to sell a 1.4 mile section of rail road track in the Port area to Sound Transit. There has been a long-term lease agreement in place between Sound Transit and the City for the use of this portion of track, this sale would move ownership to Sound Transit with an easement to the City for future City use.

Convention Center Finance Plan as compared to Actual Bookings

The Task Force requested information of the original financing plan for the Convention Center and the estimated event booking as compared to what actually occurred.

Attachment 1 provides a comparison of the estimated event bookings table from the original Convention Center financing plan with the actuals. The original financing plan estimated 2008 as the first year where the Convention Center would have a “normalized” year, meaning the typical amount of bookings after the start-up phase.

Attachment 1 also includes a table of actual event bookings from 2006-2012.

Attachment 1

