



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

August 23, 2006

Ordinance 15569

Proposed No. 2006-0282.2

Sponsors Phillips

1 AN ORDINANCE modifying the procedure for the sale of
2 financial investment properties owned by King County; and
3 amending Ordinance 12045, Section 6, as amended, and
4 K.C.C. 4.56.075.

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7 STATEMENT OF FACTS:

8 1. The council has enacted Ordinance 15569, submitting to the voters of
9 King County a ballot proposition authorizing the sale of real property
10 owned by King County and purchased with the proceeds of the Harbor
11 Bonds passed by the voters in 1910.

12 2. The Harbor Bond properties have been classified as financial
13 investment properties and have been developed and improved for
14 commercial and industrial uses under long term leases.

15 3. The procedure for the sale of financial investment properties
16 established in K.C.C. 4.56.075 does not provide the necessary flexibility

17 or safeguards to maximize the financial return to King County resulting
18 from the sale of such properties.

19 4. The council finds that providing such flexibility and safeguards would
20 better serve the interests of the citizens of King County.

21 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

22 SECTION 1. Ordinance 12045, section 6 and K.C.C. 4.56.075, as amended, are
23 each hereby amended as follows:

24 A. The facilities management division shall determine which real properties
25 within the inventory of county-owned properties are defined by this section. These
26 properties are currently not needed for county use but are held to provide a financial
27 return to the county. It is the ultimate objective of the county to dispose of this type of
28 property. Disposal should not occur until optimal market conditions exist for maximizing
29 financial return to the county.

30 B. All properties within this category shall have an initial value established by an
31 appraisal or, in lieu of this appraisal, a value shall be established by the facilities
32 management division.

33 C. Except as provided in subsection E of this section, all properties with values of
34 less than five hundred thousand dollars shall be revalued by the facilities management
35 division every three years from when the initial value was established until the property is
36 disposed of. If a property increases in value to more than \$500,000 it is subject to the
37 provisions in subsection D of this section.

38 D. All properties with values of greater than five hundred thousand dollars shall
39 be valued by an independent appraiser. Except as provided in subsection E of this

40 section, these properties shall be revalued every three years from when the initial value
41 was established.

42 E. When existing leases provide for rental adjustments at greater than three year
43 intervals, the reevaluations required by subsections C and D of this section shall be
44 performed no more than one year prior to the scheduled rental adjustment.

45 F. All appraisals shall address the following factors:

46 1. Current market conditions and trends which affect the value of the property;

47 2. Potential market conditions;

48 3. Value of any improvements on the property;

49 4. Impact on property value of temporary and permanent encumbrances upon the
50 property such as leases, easements and any other arrangement which encumbers any
51 portion of the property; and

52 5. Any other factors which, in the professional judgment of the appraiser, affect
53 the value of the property.

54 G. A proposal to dispose of a property in this category shall be based upon an
55 appraisal which has been performed within the past twelve months. A property shall be
56 sold if analysis of its income producing potential and current market sales conditions
57 demonstrates that a greater return to the public will be provided through sale of this
58 property.

59 H. Properties in this category shall be disposed of (~~through a public auction~~
60 ~~process or through listing with a real estate listing service)) in accordance with Ordinance
61 12045 and K.C.C. 4.56.100. In no case shall a property be sold for less than its appraised
62 value or a value that reflects the income producing analysis required in subsection G. of~~

63 this section, whichever is higher. ((This)) The appraised value shall be established by an
64 independent appraisal which has been completed within six months of the sale of this
65 property.

66 I. In order to ensure that properties in this category that are retained by the county
67 provide the optimal return, all lease renewals and extensions shall be authorized by
68 ordinance. Any financial investment property that is under consideration for sale or
69 exchange shall be evaluated by the executive for suitability to support transportation, and
70 for each parcel that is proposed to be sold, a report containing the evaluation for

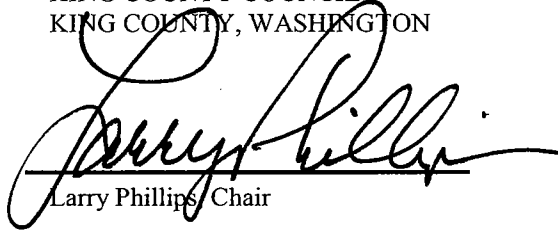
71 transportation purposes shall be transmitted to the council with the necessary legislation
72 authorizing disposal of the property.

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Ordinance 15569 was introduced on 6/19/2006 and passed as amended by the Metropolitan King County Council on 8/21/2006, by the following vote:

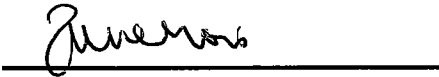
Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. Ferguson, Mr. Gossett, Ms. Hague and Ms. Patterson
No: 0
Excused: 1 - Mr. Constantine

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



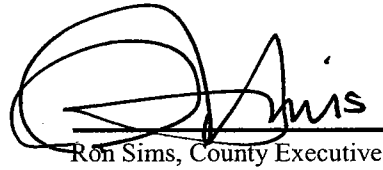
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 31 day of August, 2006.



Ron Sims, County Executive

Attachments None

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KING COUNTY COUNCIL