## STAFF REPORT

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| **Agenda Item:** | 12 | **Name:** | Brandi Vena |
| **Proposed No**.: | 2021-0257 | **Date:** | August 18, 2021 |

**SUBJECT**

The proposed ordinance would make changes to King County Code related to a publicly accessible database for and the disposition of vacant or unused county-owned real property.

**SUMMARY**

All occupancy, vacancy, and leasing decisions regarding county-owned real property are under the purview of either the Facilities Management Division (FMD) or departmental custodians that make use of county-owned real property for county business and that submit annual reports to FMD regarding the statuses of the properties under their custodianships. The reports include information as to whether a county-owned real property is surplus to the custodian's needs. In the case where a custodian has indicated it no longer needs a property, FMD must conduct an analysis of whether that property can be declared surplus. County code requires FMD to maintain an inventory of county-owned surplus real property.

In some instances, departmental custodians do not submit their required reports. Also, in some instances, departmental custodians hold on to properties that remain vacant or unused for several years. The proposed ordinance would require that FMD maintain a list of departmental custodians that have not submitted their required reports. It would also require FMD to conduct an analysis of whether a property can be declared surplus if a property has remained vacant or unused by its departmental custodian for a period of two consecutive years or longer. Finally, the proposed ordinance would require FMD to create and maintain a publicly accessible database of county-owned surplus property.

**BACKGROUND**

King County Code (K.C.C.) 4.56 establishes requirements and guidelines for the disposition of county-owned real and personal property. These requirements include inventory documentation and procedures related to the disposition and sale of surplus property.

**Inventory of County-Owned Real Property.** County code requires FMD to maintain and update a current inventory of all county titled real property along with detailed information as to which county department or agency is the departmental custodian of that property. The inventory must also detail the characteristics that determine the economic value and potential uses of each property.[[1]](#footnote-1) These requirements apply to surplus property; however, there is no requirement that the inventory be made available to the public. The code further requires that each departmental custodian submit a report to FMD no later than April 1 of each calendar year that describes the status of all real property under that department's custodianship. The report must document any changes in use or status of the real property and justify the retention and continued custodianship of the property.[[2]](#footnote-2)

**Declaring County-Owned Real Property Surplus.** There is a series of steps that must be taken before FMD can declare county-owned real property surplus:

1. A departmental custodian must justify its retention of real property. If it cannot do so, or if it determines that it no longer needs the property, FMD must determine whether another county department or agency has a need for the property. This need must be related to the provision of essential government services.[[3]](#footnote-3)
2. If the property is not needed for the provision of essential government services, FMD must then determine if the parcel is suitable for affordable housing. If so, the county must attempt to make it available or use it for affordable housing in accordance with K.C.C. 4.56.085 or 4.56.100.[[4]](#footnote-4) If the property is not deemed suitable for affordable housing, FMD must then determine whether any other department or agency has any other need for the property.
3. If no other department or agency can demonstrate a need for the property, FMD can declare the property surplus and dispose of it.[[5]](#footnote-5)

**Uses of County-Owned Property Declared Surplus.** Various sections of county code set forth requirements related to how county-owned real property can be disposed of or used once it has been declared surplus:

1. 4.56.070(D): Requires that FMD review and make recommendations to the Executive for uses of surplus property including uses by nonprofits for public purposes and use for lease or sale for on-site affordable housing.
2. 4.56.070(E): Requires FMD submit a report on July 1 of each year identifying surplus property suitable for development of affordable housing.
3. 4.56.100(A)(7)-(9): Excepts sale at fair market value where surplus property is sold for on-site development of affordable housing, where it is in the public interest to restrict use of the property for social or health services, or where property is to be donated or a sale to be negotiated with bona fide non-profits that provide services to the poor and infirm.

**ANALYSIS**

The proposed ordinance would require that FMD conduct a surplus property analysis on any county-owned real property that has not been leased, occupied, or used for a period of two consecutive years or longer and would establish a publicly accessible database of surplus real property owned by the county.

**Reporting Requirements.** As mentioned above, K.C.C. 4.56.070 requires all departmental custodians to submit a report to FMD no later than April 1 of each calendar year that describes the status of all real property under that department's custodianship, documents any changes in use or status of the real property, and justifies the retention and continued custodianship of the property. The proposed ordinance would add that the departmental custodian must also include information as to whether the property is being used by the department or leased to another party, or whether or not the real property is vacant or unused. According to FMD staff, not all departmental custodians comply with the current provision requiring submittal of the report. The proposed ordinance would therefore add a requirement that FMD maintain and update a list of departmental custodians that have not submitted the required report.

**Time Considerations.** According to FMD staff, until a departmental custodian has declared it has no further need for a property, that property is under the control of the custodian, including leasing decisions; FMD cannot unilaterally decide that a departmental custodian is no longer using or no longer needs a property. This sometimes results in properties sitting vacant or unused for long periods of time as the departmental custodians have not indicated they no longer need them. The proposed ordinance would therefore give FMD the ability to conduct the surplus property analysis set forth in K.C.C. 4.56.070(C)(1)-(3) where county-owned real property has been vacant or unused for two consecutive years or longer. Additionally, with regards to leasing, the proposed ordinance would require departmental custodians to work in conjunction with FMD and other county agencies or departments to determine whether a property or portion of property can be leased to a bona fide nonprofit organization that provides services that will benefit the public. This provision would be required where a departmental custodian has not made use of or occupied a property over which it has control over leasing decisions for a period two consecutive years or longer.

**Surplus Property Database.** Currently county code does not require that an inventory of surplus property be made available to the public. The proposed ordinance would require FMD to create and maintain a publicly accessible database of all county real property that has been declared surplus and must include details such as the address, dimensions, and zoning restrictions for each parcel. Executive and FMD staff indicated that tax title properties should not be included in this database given that they are often not useable parcels; for this reason, the proposed ordinance does not require that tax title properties be included in the database.

**INVITED**

* Anthony Wright, Director, Facilities Management Division

**ATTACHMENTS**

1. Proposed Ordinance 2021-0257

1. K.C.C. 4.56.070(A) [↑](#footnote-ref-1)
2. K.C.C. 4.56.070(B) [↑](#footnote-ref-2)
3. Essential government services include, but are not limited to, services for the public health, public safety or services related to transportation, water quality, surface water or other utilities. K.C.C. 4.56.070(C)(1) [↑](#footnote-ref-3)
4. “Suitable for affordable housing” means the parcel is located within the Urban Growth Area, zoned residential and the housing development is compatible with the neighborhood. K.C.C. 4.56.070(C)(1) [↑](#footnote-ref-4)
5. K.C.C. 4.56.070(C)(1)-(3) [↑](#footnote-ref-5)