## STAFF REPORT

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| **Proposed No.:** | 2021-0276 | **Name:** | Nick Bowman |

**SUBJECT**

Proposed Ordinance 2021-0276 would authorize the sale of the surplus property located at 155XX NE Woodinville Duvall Rd in Woodinville, WA.

**SUMMARY**

Proposed Ordinance 2021-0276 would approve the sale of 2.25 acres of surplus property located within the City of Woodinville, in Council District 1 for $590,000. According to the Executive, the property was purchased by the Road Services Division (Roads) in 1976, for work on the NE Woodinville Duvall Road and has remained vacant since.

The Facilities Management Division (FMD) declared the parcel surplus to County needs on November 30, 2020 after determining any future need for the property was unlikely. Selling the property to a private individual would provide one-time revenue to Roads and relieve the County of approximately $18 in annual fees and assessments.

The Council approval contingency period included in the Purchase and Sale Agreement (See Attachment A) expires on October 4, 2021.

**BACKGROUND**

The 2.25-acre parcel (Assessor Parcel #1126059153) was purchased by the Roads Services Division in 1976 for work on the NE Woodinville Duvall Road (Roads). The vacant and undeveloped property is located within the City of Woodinville and outside of Roads service area. While the site has access provided by an easement from 182nd NE place, this access is also undeveloped. There are no property rights associated with the parcel.

**ANALYSIS**

Proposed Ordinance 2021-0276 would approve the sale of 2.25 acres of surplus land located in the City of Woodinville in Council District 1 for $590,000 to an adjacent property owner.The agreed upon purchase price of $590,000 is based on the sales comparison of similar properties.

All surplus property sales must abide by the requirements outlined in King County Code Section 4.56. The table below provides the requirements, the reference to King County Code, and the outcome or status of each requirement.

| **Surplus Property Sale Requirements** |
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| **No.** | **Requirement** | **KCC Reference** | **Outcome/Status** |
| 1 | FMD appraisal of parcel | n/a | The property was appraised on November 18, 2020 by McKee Appraisal and assigned a value of $590,000.  |
| 2 | Road Services Division surplus declaration | 4.56.070  | The Road Services Division declared the property surplus to its needs on August 17, 2020. |
| 3 | FMD offer of parcel to other County agencies | 4.56.070  | FMD offered the property to other County agencies on August 31, 2020 and received no interest. |
| 4 | Determine if property is suitable for affordable housing | 4.56.070.C.1 | DCHS confirmed on September 23, 2020 that it was not pursuing the property for affordable housing due to the fact that the unimproved access and lack of density made affordable housing incompatible with the neighborhood.  |
| 5 | Final surplus declaration | 4.56.070  | FMD declared the parcel surplus to County needs on November 30, 2020. |
| 6 | Notice of public sale, bid, or auction. | 4.56.100 | In accordance with KCC 4.56.100.A.4, the sale of this parcel was listed with a Multiple Listing Service (MLS). According to FMD, the property was initially under contract with a developer. However, when the developer pulled out of the deal after the due diligence period, an offer from the adjacent property owner was accepted. |
| 7 | Purchase and Sale Agreement | n/a | The Purchase and Sale Agreement (PSA) was executed on April 7, 2021. |
| 8 | Council Approval | 4.56.080 | If the value of surplus property exceeds $100,000, Council approval of the sale is required. Therefore, under the terms of the PSA, the sale is contingent on approval by ordinance by the Council by October 4, 2021 which includes an additional 60-day extension. |
| 9 | Disposition of Sale Proceeds | 4.56.130 | If approved by the Council, the sale proceeds would be disbursed first to DES/FMD Real Estate Services (RES) for work associated with the sale of the surplus property, and the remaining funds will be deposited in the Roads Operating Fund.  |

The Council's legal counsel reviewed the purchase and sale agreement and identified no issues.

**ATTACHMENTS**

1. Transmittal Letter
2. Fiscal Note
3. Sale Property Summary