



## Legislation Text

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**File #:** 2006-0282, **Version:** 2

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

### STATEMENT OF FACTS:

1. The council has enacted Ordinance \_\_\_\_\_, submitting to the voters of King County a ballot proposition authorizing the sale of real property owned by King County and purchased with the proceeds of the Harbor Bonds passed by the voters in 1910.
2. The Harbor Bond properties have been classified as financial investment properties and have been developed and improved for commercial and industrial uses under long term leases.
3. The procedure for the sale of financial investment properties established in K.C.C. 4.56.075 does not provide the necessary flexibility or safeguards to maximize the financial return to King County resulting from the sale of such properties.
4. The council finds that providing such flexibility and safeguards would better serve the interests of the citizens of King County.

### BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

A. The facilities management division shall determine which real properties within the inventory of county-owned properties are defined by this section. These properties are currently not needed for county use but are held to provide a financial return to the county. It is the ultimate objective of the county to dispose of

this type of property. Disposal should not occur until optimal market conditions exist for maximizing financial return to the county.

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

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

D. All properties with values of greater than five hundred thousand dollars shall be valued by an independent appraiser. Except as provided in subsection E of this section, these properties shall be revalued every three years from when the initial value was established.

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

F. All appraisals shall address the following factors:

1. Current market conditions and trends which affect the value of the property;
2. Potential market conditions;
3. Value of any improvements on the property;
4. Impact on property value of temporary and permanent encumbrances upon the property such as leases, easements and any other arrangement which encumbers any portion of the property; and
5. Any other factors which, in the professional judgment of the appraiser, affect the value of the property.

G. A proposal to dispose of a property in this category shall be based upon an appraisal which has been performed within the past twelve months. A property shall be sold if analysis of its income producing potential

and current market sales conditions demonstrates that a greater return to the public will be provided through sale of this property.

H. Properties in this category shall be disposed of (~~((through a public auction process or through listing with a real estate listing service))~~) in accordance with Ordinance 12045 and K.C.C. 4.56.100. In no case shall a property be sold for less than its appraised value or a value that reflects the income producing analysis required in subsection G. of this section, whichever is higher. ~~((This))~~ The appraised value shall be established by an independent appraisal which has been completed within six months of the sale of this property.

I. In order to ensure that properties in this category that are retained by the county provide the optimal return, all lease renewals and extensions shall be authorized by ordinance. Any financial investment property that is under consideration for sale or exchange shall be evaluated by the executive for suitability to support transportation, and for each parcel that is proposed to be sold, a report containing the evaluation for transportation purposes shall be transmitted to the council with the necessary legislation authorizing disposal of the property.