

ORDINANCE NO. 2985

AN ORDINANCE OF THE CITY OF ISSAQUAH, WASHINGTON, ESTABLISHING PROCEDURES FOR THE SURPLUS AND DISPOSITION OF REAL PROPERTY OWNED BY THE CITY OF ISSAQUAH; ESTABLISHING CHAPTER 3.50 OF THE ISSAQUAH MUNICIPAL CODE TO SET THE REQUIREMENTS FOR PUBLIC HEARINGS ON SURPLUS REAL PROPERTY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City does not presently have a standard process for the disposal of surplus City real property and deals with the surplus of assets on a case-by-case basis; and

WHEREAS, the City Council desires to establish procedures for the disposal of surplus real property in an orderly and cost effective manner;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ISSAQUAH, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Policy Adopted. The Surplus Real Property Policy is hereby adopted, as set forth in Exhibit A, which is incorporated by this reference as fully set forth herein.

Section 2. Public Hearing Requirements. The Issaquah Municipal Code is amended by adding a new chapter to read:

Chapter 3.50

PUBLIC HEARINGS FOR SURPLUS REAL PROPERTY

3.50.010 Purpose.

The purpose of this chapter is to establish the requirements for conducting a public hearing prior to the City Council declaring that real property is surplus to the City's needs.

3.50.020 Policy.

The provisions of this chapter, together with the Surplus Real Property Policy adopted by Ordinance No. 2985, as it currently exists or is subsequently amended, shall govern the surplus of real property in the City.

3.50.030 Public Hearing Requirements

A public hearing will be held prior to the City Council declaring that real property with an assessed value of \$50,000 or more is surplus to the City's needs. For public hearings set through this process, notice of public hearing shall be provided not less than ten (10) days nor more than twenty-five (25) days prior to the hearing. This notice shall identify the property using a description that can be easily understood by the public and shall describe the current use of the lands involved. The notice shall be:

1. Published in the City's newspaper of record and
2. Forwarded to all property owners within 500 ft of the exterior boundaries of the site or 20 property owners, whichever is greater. In situations where these properties include tenants, such as multi-family residential properties, the City will also notify tenants.
3. Advertised on the City's website and other City communication channels as available.

3.50.040 Exemptions

These requirements shall not apply to the intergovernmental transfer of property having a value of more than \$50,000, which is governed by RCW 39.33.020, or the lease or sale of land or property originally acquired for public utility purposes, which is governed by RCW 35.94.040. These requirements also do not apply the vacation of streets, alleys, and public ways that are subject to street vacation procedures under IMC Chapter 12.20 and RCW Chapter 35.79.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. Effective Date. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City, and shall take effect and be in full force (5) days after publication.

Passed by the City Council of the City of Issaquah, the 6th day of September,
2022.

Approved by the Mayor of the City of Issaquah, the 6th day of September, 2022.



MARY LOU PAULY, MAYOR

ATTEST/AUTHENTICATED:



TISHA GIESER, CITY CLERK

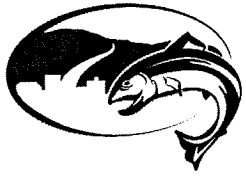
APPROVED AS TO FORM:



RACHEL BENDER TURPIN, CITY ATTORNEY

PUBLISHED: Sept. 9, 2022
EFFECTIVE DATE: Sept. 14, 2022
ORDINANCE NO.: 2985 \ AB 8438

Exhibit A: Surplus Real Property Policy



CITY OF
ISSAQUAH
WASHINGTON



Surplus Real Property Policy

Adopted:

CITY OF ISSAQUAH

1.0 Purpose

The purpose of this policy is to establish a uniform procedure governing the disposition of real property that is surplus to the needs of the City. Nothing in this policy shall be read to limit the legislative discretion of the City Council to control City-owned real property, or to require the City to dispose of City-owned real property or to limit the power of the City of Issaquah to dispose of City-owned real property as the interests of the City may require.

2.0 Applicability

This policy applies to disposition of real property that is surplus to the needs of the City, as defined herein in Section 4. This policy does not apply the vacation of streets, alleys, and public ways that are subject to street vacation procedures under IMC Chapter 12.20 and RCW Chapter 35.79. This policy also does not apply to titled vehicles or other City property with a value greater than \$5,000; those assets will be handled in accordance with the City's adopted Financial Management Policy.

3.0 References

RCW 35A.11.010: Rights, powers, and privileges of code cities

RCW 39.33: Intergovernmental Disposition of Property

RCW 35.94: Sale or Lease of Municipal Utilities

4.0 Definitions

- 4.1** "Appraised value" means a determination of the fair market value of the Subject Parcel, as determined by a sufficient and acceptable appraisal performed by a licensed appraiser using a commercially reasonable method of appraisal.
- 4.2** "Assessed value" means the dollar amount assigned by the King County Assessor as the valuation of the Subject Parcel of land and improvements for taxation purposes.
- 4.3** "Disposal" means the Trade or Sale of Real Property in which the City has a fee interest to a non-City entity.
- 4.4** "Easement" means a right to use land owned by another for a specified purpose.
- 4.5** "Enterprise Fund" means a fund, such as a utility, for which a separate financial accounting is used for government operations that are financed and operated in a manner similar to business enterprises and for which preparation of an income statement is desirable.
- 4.6** "General Fund" means the governmental fund supported by taxes, fees, and other revenue that may be used for any lawful purpose.
- 4.7** "Interim Use" means the use of property on a short-term basis that differs from the intended use at the time of acquisition.
- 4.8** "Real Property" means fee-owned land and appurtenances to land, including buildings, structures, fixtures, fences, and improvements erected upon or affixed to the same.

4.9 “Surplus real property” means City-owned real property for which there is no reasonably identifiable current or future public need.

5.0 Guiding Principle

It is the policy of the City of Issaquah to provide the best possible stewardship and management of municipal assets in the best interests of the residents of the City. To that end, the City shall avoid holding properties without a specific municipal purpose. When property is not needed for some present or future municipal use, it should be sold at fair market value to finance other capital assets from the General Fund or Enterprise Fund which acquired the property originally. Once capital asset needs have been satisfied, the remaining funds may be used for other City projects and programs.

6.0 Procedures for determining that property is surplus

In accordance with the City’s adopted Financial Management Policy, when the City Council determines that titled vehicles, real property, or any City property with a value of greater than \$5,000 is surplus property, the City Council will make this determination known by resolution. The following procedures set forth the process for the City Council to determine whether real property with a value of greater than \$5,000 is surplus:

6.1 Initiation

A surplus property review by the City Council may be initiated by a request from either the Administration or the City Council.

6.2 Staff Report

The Administration will prepare a staff report for the City Council. The staff report at a minimum should include:

- A description and location of the property;
- The property’s connection to a City plan, if any;
- The property’s current use and condition;
- A public benefits analysis that considers the value of the property, both revenues and costs associated with it, and uses an equity lens to examine who benefits most from the property;
- Consideration for other potential uses of the property; and
- The Administration’s recommendation for retention or consideration for surplus.

6.3 Public Hearing

There are certain situations where the RCW requires a public hearing as part of the City Council’s determination that a property is surplus. Those situations include:

- The intergovernmental transfer of property having a value of more than \$50,000 (RCW 39.33.020)
- The lease or sale of land or property originally acquired for public utility purposes (RCW 35.94.040)

In those situations, the public notice and hearing process will comply with the requirements found in the applicable RCW chapter.

For real property that falls outside of those requirements, a public hearing will be held for any property with an assessed value of \$50,000 or more.

For public hearings set through this process, notice of public hearing shall be provided not less than ten (10) days nor more than twenty-five (25) days prior to the hearing. This notice shall identify the property using a description that can be easily understood by the public and shall describe the current use of the lands involved. The notice shall be:

1. Published in the City's newspaper of record;
2. Forwarded to all property owners within 500 ft of the exterior boundaries of the site or 20 property owners, whichever is greater. In situations where these properties include tenants, such as multi-family residential properties, the City will also notify tenants; and
3. Advertised on the City's website and other City communication channels as available.

6.4 City Council Determination

Following Council's review of the surplus property report and conclusion of the public hearing, the Council shall determine whether the property shall be declared surplus and, if so:

1. Whether the property shall be retained or disposed of;
2. If the property is to be disposed of, whether an appraisal is required or if assessed value sufficiently reflects the fair market value;
3. The method of disposition:
 - 3.1. Disposition could include sold by sealed bid, at auction, or through negotiated sale, which may be completed through a request for proposals, a request for qualifications, multiple listing service or any other process;
 - 3.2 Special disposition may include an intergovernmental transfer or transfer to qualified public or private nonprofit entities.
4. Whether any special covenants, restrictions, or easements should be imposed in conjunction with the disposition

If the City Council determines the property is surplus to the City's needs, the Council shall complete the process by adopting a resolution making such a declaration.