

Title 12 Public Ways and Property

Chapter 12.10 Disposition of Surplus Real Property

Section 12.10.040 Allowable Methods of Property Disposition

A. Surplus City real property may be disposed of using any of the following methods:

1. Direct Sale. Using City legal staff, third party title/escrow companies, and third party reports such as appraisals and environmental studies, the City may sell property directly to another party. This approach does not require the services of a professional listing broker or the additional considerations of a special disposition. Typical examples for which this method are most well-suited include:
 - a. Remnants, defined as: 1) small parcels of land, usually smaller than 2,000 square feet, 2) irregular shapes, and 3) are unlikely to support any stand-alone development. Remnants are often the leftover parcels from right of way dedications and developments. The most likely buyer of a remnant property will be an abutting property owner.
 - b. Unsolicited offers the City receives from public or private parties on city-owned real estate properties that have not been surplused or are not actively being marketed for sale.
 - c. Sales to Public Development Authorities or Limited Redevelopment Authorities, provided that such sales comply with Chapter 39.33, RCW.
2. Listing with Real Estate Broker. In order to generate the greatest return on the sale of a property, subject to applicable procurement laws, the City may contract with a professional commercial real estate broker who specializes in commercial or residential properties for broker listing in some cases. Broker listings are ideally suited for land parcels and improved properties in established neighborhoods for which (1) the anticipated use of the subject properties will be similar to their present uses, and (2) future development of the subject parcel is expected to conform to the well-established land uses prevalent in the subject property's vicinity.
3. Land Swaps. The City may also, as specifically authorized by chapter 39.33, RCW, dispose of real property via a land swap with another public entity, such as a school district, county, the federal government, or other municipal corporation.
4. Special Dispositions. Some City-owned real property may merit the use of a special disposition method because they can provide benefits that far exceed the limitations of monetary market value. Special disposition of these properties can further the objectives and goals of the City and can actually be a catalyst for economic development and expansion of community services. All special dispositions should be reviewed for compliance with Article 8, Section 7 of the Washington State Constitution, which generally prohibits gifting of City property.
 - a. Key characteristics qualifying a property for special disposition status include the following:
 - i. Properties that have a nexus with a Public Development Authority, such as where the property is within the geographic area of a public development authority (PDA), or where a PDA has expressed specific interest in the subject property.
 - ii. Properties within City-designated targeted investment areas or a neighborhood where redevelopment is a focus of revitalization efforts.
 - iii. Properties for which there is strong community interest, as expressed by neighborhood councils, local businesses, schools, and other community organizations.
 - iv. Properties which may, if the use is changed from the current use, create a substantial impact on neighboring property owners.

- v. The needs of multiple stakeholders, including those mentioned above, may necessitate the use of a disposition method other than a listing or direct sale.
 - vi. The City may use a special disposition method where the City anticipates that a likely buyer will request a zoning change, a street dedication, a right of way vacation, or zoning changes.
 - vii. Special disposition methods may be appropriate where the City retains requires property rights after the sale of the property, such as access easements, air rights, purchase options, and other conditions not already addressed elsewhere.
 - viii. The RERC report may contain a recommendation for the use of a special disposition method for reasons other than those listed above, based on the specific circumstances.
- b. Prior to finalizing a report which recommends a special disposition method, the RERC shall hold a public hearing regarding the subject property. The RERC will issue a notice of public hearing no sooner than 10 days and no more than 25 days prior to the hearing. Notice will be sent to all property owners within 1,000 feet of the subject property and officers of the applicable neighborhood council. The RERC shall incorporate the public hearing comments in its recommendation report.
 - c. The primary means for performing a special disposition is a City-issued Request for Proposal (“RFP”). The RERC will develop the RFP criteria as part of any recommendation report which recommends disposition via a special disposition process. The criteria used in evaluating responses to the RFP will be enumerated and weighted on a property-specific basis. For instance, the RFP criteria on a residential parcel in one area of the City may vary significantly from that on an industrial property in another area.
 - i. Some RFP criteria may be:
 - A. Compatibility with adopted neighborhood plan
 - B. Compliance with the City of Spokane’s Comprehensive Plan
 - C. Job creation potential
 - D. New tax base expansion or creation potential
 - E. Ultimate range of purchase price and earnest money
 - F. Relevant purchase contract conditions
 - G. Experience and capability of the buyer
 - H. Timeline for completing the project and/or project phases, as applicable
 - d. The RFP process may use a direct sale closing process or it may become part of the listing requirements with a licensed broker. Alternatively, the RERC may recommend a long term lease. The RERC report shall contain a recommendation concerning the method of disposition.

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