

August 31, 2017

MEMORANDUM

To: Members, Affordable Housing, Neighborhoods and Finance Committee

From: Traci Ratzliff, Central Staff Analyst

Subject: Proposed Changes to City "Excess/Surplus" Properties Disposition Policies

In September, the Affordable Housing, Neighborhoods and Finance (AHNF) Committee will consider potential changes to policies establishing procedures for disposition of surplus City property.

This memorandum (1) sets out background information related to why changes are being proposed and (2) describes the proposed changes.

Background

At the August 2 meeting of the AHNF Committee, Finance and Administrative Services (FAS) staff provided an overview of the City's "Excess/Surplus" property disposition policies and processes. These policies and processes are established by the City Council via resolution. The original policies were adopted in 1998, with the most recent amendments to these policies adopted in 2006. These disposition policies apply to all City-owned properties, except for City Light properties for which an alternative disposition process was established in 2013. The City Council must approve via ordinance all dispositions of "Excess/Surplus" City properties.

As part of this discussion in August, the Office of Housing (OH) staff discussed the process it undertakes in reviewing surplus properties to determine their suitability as sites for affordable housing development and the process that must be followed to obtain Council authorization of such dispositions. The time that it takes to authorize the disposition of surplus property depends, in part, on whether a disposition is defined as a "simple" or a "complex" decision. According to FAS staff, a "complex" disposition can take from 12 to 18 months and a "simple" disposition normally takes about 12 months. Generally, properties identified by OH for affordable housing are defined as "complex" decisions.

Based on this discussion, Councilmembers indicated the desire to modify the City's disposition policies to expedite the process for disposing of properties identified by OH as suitable for the development of affordable housing. Councilmember Burgess is proposing a resolution that would make that change and other changes to the disposition policies.

Proposed Changes to Disposition Policies

Attachment 1 includes the proposed resolution revising the "Procedures for Evaluation of the Reuse and Disposal of the City's Real Property" that would define properties suitable for the development of affordable housing as "simple" dispositions. Such dispositions will provide the opportunity for public notice and public comment, but will not involve the longer public involvement process associated with "complex" decisions. As such, proposed changes should shorten the time it takes to approve such

¹ Resolution 29799.

² Resolution 30862.

³ Resolution 31424.

property dispositions, ultimately allowing for more rapid development of affordable housing. The revised policies would direct OH and FAS to brief the relevant City Council Committee about such dispositions early in the disposition process, to address any questions or concerns that might arise.

There are several other proposed amendments to the disposition policies. These are summarized in the table below.

Proposed Change	Discussion
Membership on the Real Estate Oversight Committee	The proposed changes updates the names of the departments that participate in the Real Estate Oversight Committee (REOC), which reviews and approves "complex" property dispositions. The changes add the Director of OH and the Chair of the Council's Budget Committee as members. OH has an interest in the future use of surplus properties, as do other departments currently participating in the REOC, and should therefore be a member. Having the Chair of the Council's Budget Committee sit on the REOC provides Council with early input on these decisions and a heads-up on dispositions that will be coming forward for approval.
Fair Market Value Threshold for "Complex" Dispositions	The proposed changes increase from \$1 million to \$2 million the Fair Market Value (FMV) of an excess property that triggers a disposition being <u>automatically</u> defined as "complex." The current disposition policies require that a property with a FMV in excess of \$1 million be automatically defined as a "complex" decision. It does not appear that this amount has been changed since the disposition policies were first adopted in 1998. This increase represents a modest adjustment given the increases in property values over the years. Other factors that can result in a property being defined as a "complex" decision remain unchanged. The Process Review Determination Form is modified to incorporate this proposed change.
Public Involvement Reporting	The proposed changes clarify that the public involvement report, which describes the public notification process undertaken, list of persons and entities notified, and summary of public comments received, can be included in the "Preliminary Recommendation Report on Reuse or Disposal of Excess Property" and/or the "Final Recommendation Report" and need not be a separate report. This is consistent with FAS's current practice to incorporate the public involvement report information in these two reports. Proposed changes also modify the Process Review Determination Form to provide more clarity regarding expressions of community interest in surplus property.

The proposed resolution will be discussed at the September 6th AHNF Committee.

Attachment:

1. Proposed resolution and revised "Procedures for Evaluation of the Reuse and Disposal of the City's Real Property"

cc: Kirstan Arestad, Central Staff Director Ketil Freeman, Central Staff Supervisor

Traci Ratzliff LEG Disposition Policies RES D1 1 CITY OF SEATTLE 2 RESOLUTION 3 ..title 4 A RESOLUTION amending procedures for the Evaluation of the Reuse and Disposal of the 5 City's Real Property to update certain portions of the procedures and expedite the 6 disposition of properties for affordable housing development, consistent with the 7 recommendations of the Housing Affordability and Livability Agenda (HALA) Advisory 8 Committee adopted by the City Council in Resolution 31622. 9 ..body 10 WHEREAS, Resolution 29799, adopted in August 1998, established policies and procedures to 11 govern the acquisition, reuse, or disposal of City real property; and 12 WHEREAS, The policies were last modified in April 2006 via Resolution 30862; and 13 WHEREAS, The Housing Affordability and Livability Agenda (HALA) Advisory Committee 14 issued its final recommendations and report in July 2015; and 15 WHEREAS, The HALA Report included a recommendation to prioritize the use of surplus and 16 underutilized public property for affordable housing; and 17 WHEREAS, The Council adopted Resolution 31622 establishing a work plan to implement key 18 recommendations of the HALA report that included using publicly owned properties for 19 development of affordable housing and consideration of revisions to the City's policies 20 governing the disposition of surplus properties to facilitate such efforts; 21 NOW, THEREFORE, 22 BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE 23 **MAYOR CONCURRING, THAT:** 24 Section 1. The Procedures for Evaluation of the Reuse and Disposal of the City's Real Property 25 adopted by Resolution 29799 and amended by Resolution 30862, are hereby amended and 26 revised as shown in Attachment A.

	Traci Ratzliff LEG Disposition Policies RES	achment 1	
1		day of	_, 2017
2	and signed by me in open session in authent	ication of its adoption thisday of	
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4			_
5		Presidentof the City Counci	1
6	The Mayor concurred the	day of, 2017	. ·
7			
8		Edward B. Murray, Mayor	
9	Filed by me thisday of		
10			
11		Monica Martinez Simmons, City Clerk	
12	(Seal)		
13 14 15	Attachment A: Procedures For the Evaluation Property	on of the Reuse and Disposal of the City's Re	al
16			

CITY OF SEATTLE

PROCEDURES FOR THE EVALUATION OF THE REUSE AND DISPOSAL OF THE CITY'S REAL PROPERTY

June 29, 1998
Revised April 10, 2006
Proposed Changes August 7, 2017

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- B. Excess Property Description
- C. Excess Property Notice
- D. Excess Property Response Form
- E. Excess Property Proposed Use Form
- F. Property Review Process Determination Form

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	by Jurisdictional Department	Appendices
2	Details to be Reported on the Excess Property Response Form	Appendices

1.0 DEFINITIONS

When the terms defined here appear in text, they are capitalized.

Disposal The Trade or Sale of Real Property in which the City has a fee

interest to a non-City entity.

Easement A right to use land owned by another for a special purpose.

Encumbrance Any claim, lien, charge, or liability attached to and binding on

Real Property, including those that affect the physical condition of the property and those that affect the title, which may lessen its value, or burden, obstruct, or impair its use but not

necessarily prevent transfer of title.

Excess Property Real Property that the Jurisdictional Department has formally

determined it no longer needs for the Department's current or

future use.

Fully Utilized Municipal Use

Property

Municipal Use Property that is actively being used for municipal purposes to the fullest capacity possible under any

required restrictions on its Municipal Use.

Hold The period of time for which final legislative action on an

Excess Property is delayed to give the proposed Transferee time to complete conditions necessary to the conclusion of the

Transfer or Transfer of Jurisdiction.

Interim Use The use of property for a non-municipal use(s) on a short-term

basis during the period of time prior to its being used for its

proposed future Municipal Use.

Joint Use The shared use of City-owned Real Property by two or more

City departments or by a City department(s) and one or more

Public Agencies or private parties.

Jurisdiction The mechanism by which the City allocates Pprimary

responsibility and authority for Real Property as assigned by

ordinance.

Jurisdictional

Department

The City department or departments with responsibility for a specific parcel of Real Property as assigned by City Council.

1

Managing Department

The City department to which all or a portion of the management responsibility for a specific property has been delegated by agreement with the Jurisdictional Department and/or by ordinance.

Municipal Use

Active or passive use of Real Property to carry out general purposes of the City or to accomplish City goals and objectives.

Public Agency

A federal, state, or local (other than The City of Seattle) governmental entity, including but not limited to school districts; port districts; fire, sewer, and water districts; and public development authorities.

RES

See Real Estate Services.

Real Estate Oversight Committee A committee <u>comprised</u> of City department heads (or their designees) appointed by the Mayor <u>and the Chair of the Council Budget Committee</u>, chaired by the Deputy Mayor or other Mayoral designee that has the authority to review and make recommendations to Departments or to the Executive on Real Property matters.

Real Property

Land and appurtenances to land, including buildings, structures, fixtures, fences, and improvements erected upon or affixed to the same.

Real Property Asset Management Information System (RPAMIS) A comprehensive database of information cataloging Real Property owned by the City.

Real Estate Services (RES) City organization in the Fleets and Facilities Department (FFD)Finance and Administrative Services Department (FAS) that is responsible for strategic or "corporate" management of City Real Property, except for those properties outside Seattle, those properties actively used for power or water distribution under the jurisdiction of the City Light Department, those properties under the control of the Seattle Public Utilities Department, those properties under the control of the Seattle Center, and properties for which the City Charter specifically provides for jurisdiction by a specific department other than FFDFAS.

Reuse The use of an Unused Property or Underutilized Property, after

review and assessment of the property's potential uses. Such uses may be facilitated by Transfers, Transfers of Jurisdiction, or Transfers of Partial Jurisdiction, and such uses may entail

Interim Uses and Joint Uses.

Sale The conveyance to a non-City entity of all or a portion of a

parcel of Real Property for consideration.

Surplus Property Excess Property formally designated by the City Council as not

needed to carry out any recognized goal or policy of the City.

Trade The exchange of one or more parcels of Real Property for other

Real Property.

Transfer The conveyance to a non-City entity of all or a portion of the

rights associated with a parcel of Real Property.

Transfer of The internal process by which the City changes the department

Jurisdiction that has responsibility for a parcel of Real Property.

Transfer of Partial The internal process by which the City changes responsibility

for a portion of the property rights associated with a parcel of

Real Property.

Transferee The City department to which all or a portion of property rights

or jurisdiction over a property is assigned, or the Public Agency or private entity to which all or a portion of property rights are

conveyed.

Underutilized

Jurisdiction

Property

Municipal Use property that could support additional and/or

more intensive uses without interfering with the primary use

of the property.

Unused Property Property owned by the City that is not currently in Municipal

Use and that is not being rented, leased, or otherwise used

under an agreement with the City.

2.0 PURPOSE

These procedures establish a uniform evaluation process for the Reuse or Disposal of Real Property owned in fee simple by The City of Seattle (City).

3.0 SUMMARY

Following standard procedures described below, each City department should classify every property under its jurisdiction, review that classification regularly, and report all changes to Real Estate Services (RES). When suitable and compatible, additional uses should be implemented for properties that are not fully utilized for Municipal Uses. Unused Property should be utilized for municipal purposes to the fullest extent possible, with Interim Uses identified and implemented if the property is needed for a future Municipal use. Failing identification of a current or future Municipal Use, the property should be disposed of following standard procedures to notify and solicit proposals from prospective users, including other City departments, Public Agencies, and private parties. Classifications and uses of all Real Property owned in fee simple by the City are maintained in a central inventory administered by RES.

4.0 SCOPE

These procedures apply only to Real Property where the City owns a fee interest, whether located inside or outside the boundaries of the City, unless the Real Property was acquired as a street right of way. All City departments and agencies are subject to these procedures unless superseded by City Charter, state law, or federal law, e.g., the Seattle Public Library (per RCW 27.12.210 and 27.12.300).

5.0 GUIDING PRINCIPLES FOR THE REUSE AND DISPOSAL OF REAL PROPERTY

- A. It is the intent of the City to strategically utilize Real Property in order to further the City's goals and to avoid holding properties without an adopted municipal purpose.
- B. Decisions regarding Reuse or Disposal of the City's Real Property should be made on a case by case basis using the guidance in adopted City Policy.
- C. So that Real Property decisions are made within a City-wide context, the Executive's recommendations to City Council on such matters should be made by the REOC to the extent not otherwise prohibited. The Real Estate Oversight Committee includes the Fleets and Facilities Director of Finance and Administrative Services, the Director of the Office of Planning and Management Community Development, the Director of the Office of Housing, the Director General Manager and CEO of Seattle Public Utilities, the Director of the Department of Neighborhoods, the Director of the Office of Economic

Development, the Superintendent General Manager and CEO of City Light, the Superintendent of Parks & Recreation, the Director of the Department of Planning and Development Construction and Inspections, and the Director of the Seattle Department of Transportation, and the Chair of the Council Budget Committee or their designees, and includes the directors of successor department(s), if any) e. Lead responsibility for analysis of Reuse and Disposal of Real Property is assigned to RES, unless delegated.

- D. Except as otherwise delegated by ordinance, final decisions regarding the disposal of Real Property rights shall be made by the City Council. Any negotiations entered into by the City prior to final authorization by City Council, when needed, shall clearly communicate that the final decision is to be made by City Council.
- E. The decision-making process described in these procedures and the resulting decisions should be interpreted and applied in a manner to comply with federal, state, and local laws and regulations.
- F. These procedures are intended as guidelines for City decision-making in the Reuse and Disposal of property. No express or implied rights or responsibilities are intended to be created for any party. Failure to comply with these procedures will not give any party the right to change, rescind, or delay any decision or transaction related to echange of use or ownership of City property or provide any claim for damages or other relief.
- G. The Law Department should be consulted as needed in the process and at minimum, on the following matters: (a) compliance of proposed Reuse and Disposal actions with local, state, and federal ordinances, statutes, regulations, plans, and policies; (b) the need for environmental analyses, including environmental due diligence and review required under the State Environmental Policy Act (adopted by Seattle Municipal Code ch. 25.05); and (c) the form and substance of any proposed legislation and transaction documents.
- H. These procedures are not intended to supersede those adopted by the City Council that exclusively outline a Reuse or Disposal process for a specific property or type of property. In cases where inconsistencies or conflicts occur between the two, the specific policies adopted by City Council for the property in question shall prevail.
- I. Nothing in these procedures should be construed as favoring one municipal purpose over another.
- J. These procedures are intended to encourage citizen participation and to be coordinated with and to support neighborhood planning efforts.

6.1 CLASSIFICATION AND REVIEW OF REAL PROPERTY

This section provides guidance on classification, periodic review, and reclassification of Real Property that is owned in fee simple by The City of Seattle, except as noted in Section 4.0 (Scope).

6.2 CLASSIFICATION

- Jurisdictional Departments will classify each of their properties into one of the following categories:
 - Fully Utilized Municipal Use Property
 - Underutilized Property
 - Interim Use Property
 - Unused Property
 - Excess Property
 - Surplus Property, when previously so determined by Council action.

All classification data will be maintained in the RPAMIS by RES. The classification process is to be completed by the end of the calendar year in which these procedures are adopted.

The Fully Utilized and Underutilized categories reflect a level of Municipal Use. Interim Use reflects a short term non-municipal use for a property which has a planned future Municipal Use. Property in the Unused category has no current use, but reflects the possibility of future Municipal Use; for example, a property that could be slated for future municipal purposes, but has not yet been so identified, would be classified Unused. The Excess category reflects a Jurisdictional Department's explicit decision that it no longer needs the property for a Municipal Use. The Surplus category reflects the City Council's explicit decision that the City no longer needs the property for any municipal purpose.

Each property will also be included in a strategic plan for City property. The plans are to be prepared and maintained by RES and approved by the REOC.

6.3 PERIODIC REVIEW

After the initial classification effort, the status of each property will be reviewed regularly to consider the suitability of each property for its current use and to consider Reuse or Disposal of Underutilized and Unused Property. The frequency of review is specified in Table 1. Special requirements that apply to a classification are noted in the table. Lacking a defined current or future Municipal Use, Excess and Surplus Properties are not subject to these review requirements.

The Mayor, City Council, or RES staff may request that a specific property be reviewed at a time not normally scheduled. By directing a request to RES, other parties may also ask for an unscheduled review. RES will evaluate the most recent property review and strategic plan to decide whether a new review is needed. If it is not, RES will provide a brief explanation to the requester.

6.4 REPORTING

For purposes of maintaining the accuracy of the RPAMIS database, Jurisdictional Departments are to report all changes in the status of Real Property. The changes are to be reported to RES within 30 days of the change. Such changes include acquisitions, Disposals, Transfers (including Transfers of Jurisdiction or Partial Jurisdiction), and changes in current or potential future use.

Every year, the Jurisdictional Department should review RPAMIS information for each of its properties—classification, current use, and any potential future use with its projected starting date. A written confirmation of accuracy is due by February 15 to RES.

By March 31 of every year, a status report for all City property covered by these procedures is due from RES to the REOC and City Council. For each property, this *Real Property Status Report* should list current classification, current use, potential for Joint or Interim Use, and any intended future uses with their projected starting dates.

In addition, RES will prepare and distribute a quarterly *Excess Property Status Report* to City departments, the REOC, City Council, and interested parties on record with RES.

7.0. CHANGES IN MUNICIPAL USE PROPERTIES

To make more efficient use of City resources, changes may be made in the use of properties that a department has not declared Excess. Specifically:

- Underutilized and Unused Properties should be used more intensively for municipal purposes (Reused)
- Jurisdiction of Fully Utilized Municipal Use Properties may be transferred between departments to better align their missions with their responsibilities.

All such changes, which are initiated by the Jurisdictional Department, require review by RES before they can be approved by the City Council. When RES does not concur with the Jurisdictional Department's recommendation, either party may refer the matter to the REOC for resolution. Law Department approval is required for all proposed legislation authorizing any change.

7.1 ADDING USES TO UNDERUTILIZED OR UNUSED PROPERTY

Underutilized and Unused Property may have the potential for more intensive use. Property that can accommodate more than one Municipal Use or a Municipal Use and one or more non-municipal uses is classified as being in Joint Use. Unused Property that has a future Municipal Use but is currently being used for a non-municipal use is classified as having an Interim Use. This section describes procedures for identifying, evaluating, approving, and implementing Joint and Interim Uses.

7.1.1 Identification and Solicitation of Additional Uses

Underutilized Property

As part of its annual review, the Jurisdictional Department is to identify potential additional uses of Underutilized Property, with help from RES if needed. Results of the review are to be reported on the *Underutilized Property Review Form* (Appendix A). To facilitate this process, RES will evaluate requests from the last 3 years for City property meeting the characteristics of the Underutilized Property. RES will summarize its findings for the REOC. With RES's help if needed, the Jurisdictional Department is also to announce the availability of the Underutilized Property to other City Departments, Public Agencies, private parties, and the public, and is to invite their proposals for Joint Use. The notice to the public must provide a minimum of 30 days to submit comments and suggestions. When the Jurisdictional Department makes a final decision regarding the use of the Property, or if Council approval is necessary to carry out a final decision, the Jurisdictional Department should notify those members of the public who responded to the first notice about the final decision made by the Jurisdictional Department, or of the transmittal to Council of legislation seeking approval of a final decision, whichever the case may be.

Unused Property

If a future Municipal Use is or has been identified for Unused Property, the Jurisdictional Department should analyze possible Interim Uses for the property, if any. The notification and solicitation procedures that apply to Underutilized Property may be followed. Unused Property for which no future Municipal Use is identified should be reclassified as Excess.

7.1.2 Review and Approval

The Jurisdictional Department should utilize guidelines outlined in adopted Council policy on reuse and disposal of City property when analyzing the feasibility of proposed Joint and Interim Uses. If a proposed Joint or Interim Use is acceptable to all entities involved, including RES and nonjurisdictional departments, the Jurisdictional Department should prepare legislation and other required documents to establish the arrangement, to be submitted for City Council approval. RES may request copies of the documents for itself and the REOC.

Any expenses associated with environmental due diligence may be negotiated by the Jurisdictional department and the entities involved in the Joint or Interim Use. In addition, the entities implementing the Joint or Interim Use should bear the costs of implementing and removing such use; alternative arrangements may be negotiated with the Department of Finance and approved by the REOC. Consideration, if any, should be consistent with the State Accountancy Act (RCW 43.09.210) and other applicable laws and regulations. If consultation with the Law Department reveals that SEPA review is needed, the Jurisdictional Department should conduct the review. When the evaluation of proposals is complete, the Jurisdictional Department should forward its recommendation to RES for review and approval.

Additional review should be undertaken if the Jurisdictional Department's recommended Joint or Interim Use is questioned. If questioned by a nonjurisdictional department, the matter should be taken up by RES, who should forward its findings to the REOC. If questioned by RES, the matter should be taken up directly by the REOC. Upon resolution, legislation should be prepared by the Jurisdictional Department for City Council approval.

7.2 CHANGING JURISDICTION OF FULLY UTILIZED MUNICIPAL USE PROPERTY

When the Jurisdictional Department, in consultation with RES, believes that jurisdiction of a parcel of Real Property should be transferred to another City department, it should contact the other department to discuss such factors as compensation, current or potential revenue associated with the property, estimated

costs associated with a Transfer of Jurisdiction, and the physical condition and maintenance requirements of the property. The two departments should negotiate the terms of any Transfer of Jurisdiction.

7.2.1 Notification and Comment

When a tentative agreement has been reached, the Jurisdictional Department should notify RES, which in turn should notify all property-managing departments of the proposed Transfer of Jurisdiction. Responses are due 2 weeks later. At a minimum, the responses should specify utilities, easements and access agreements that are on or are needed on the property; other comments are invited.

7.2.2 Evaluation

On the basis of responses received, RES may concur with, recommend against, or place conditions upon the proposed Transfer of Jurisdiction. If RES concurs with the proposed Transfer of Jurisdiction, the required legislation is prepared by RES for City Council approval. In the absence of concurrence, the Jurisdictional Department may ask the REOC for resolution and RES will prepare legislation in accordance with the resolution of the REOC.

8.1 CHANGES IN EXCESS PROPERTY

When a parcel of Real Property becomes Excess, other City departments, Public Agencies and the public are to be notified of its availability, asked to identify their interest in it—particularly less-than-fee- simple rights the City should keep, such as utility Easements—and invited to propose Municipal Uses for it. This information is evaluated in a two-tiered process. The Jurisdictional Department first examines the information and makes a recommendation, which is then evaluated by RES. As part of its evaluation, RES then classifies the proposed decision as "simple" or "complex." "Complex" decisions require an additional public involvement process and additional City review. Before being submitted to the City Council for action, all proposed Reuse or Disposal actions must be approved by RES and, for "complex" decisions, the REOC.

8.2 INITIAL NOTIFICATION AND RESPONSE

When a Jurisdictional Department declares a property Excess, it should complete an *Excess Property Description* (Appendix B) and send the form to RES. On receipt, RES should prepare an *Excess Property Notice* (Appendix C). The notice should be distributed to all City departments, to Public Agencies that RES determines may be interested in the property, and to Public Agencies whose regulatory or policy

responsibilities affect the property. In addition, notice should be given to citizens, community groups, and other interested parties as provided in Section 8.5.2.

With the Excess Property Notice, RES should also distribute an Excess Property Response Form (Appendix D) and an Excess Property Proposed Use Form (Appendix E). Both are due back to RES within 30 days of the date of the Excess Property Notice. At its discretion, RES may grant an extension upon receipt of a written request indicating the reason for the extension and a proposed revised due date. Completed Excess Property Response Forms should be copied and sent to the Jurisdictional Department.

All City departments or Public Agencies should return a completed *Excess Property Response Form*, even if they have no explicit interest in the property. The nature of each department's response is detailed in Table 2. To protect the interests of the City as a whole, it is especially important to provide complete and accurate information on this response form. Any entity interested in acquiring the property must also return an *Excess Property Proposed Use Form* signed by the director or designee, submit an implementation plan, and specify a funding source.

In their *Excess Property Proposed Use Forms*, City departments and Public Agencies may request a delay in the implementation of a Reuse or Disposal decision—a Hold—until certain steps can be completed (e.g., obtain funding). The request for a Hold will be evaluated by RES during its review.

8.3 FIRST-TIER EVALUATION BY JURISDICTIONAL DEPARTMENT

Within 30 days of receiving copies of completed *Excess Property Proposed Use Forms*, the Jurisdictional Department should analyze the proposed uses, review and consider any public comments or input received in response to the Initial Public Notice mailed pursuant to 8.5.2, and forward its recommendation for Reuse or Disposal to RES. This recommendation should summarily describe the number and substance of the public comments received, describe the preferred Reuse or Disposal, and if appropriate, propose a Transferee or method for selecting a Transferee.

The Jurisdictional Department may recommend one of several options:

- Establishment of Interim Use until identified and recommended future Municipal Uses are implemented
- Transfer for implementation of a Municipal Use
 - To another City department

- To a specific non-City Transferee
- To a non-City Transferee that has not yet been identified
- Designation as Surplus property to be transferred
 - To a specific non-City Transferee
 - To a non-City Transferee that has not yet been identified

8.4 SECOND-TIER EVALUATION BY REAL ESTATE SERVICES

8.4.1 Evaluation Factors

RES's evaluation of alternative uses for Excess Properties should include the factors identified in adopted Council policy for reuse and disposal of City property.

8.4.2 Options

RES may recommend any of the options identified in Section 8.2, even if it differs from the option recommended by the Jurisdictional Department.

If a specific Transferee is recommended and that Transferee has requested a Hold, RES may suggest that the Jurisdictional Department retain the property for 1 year so that the prospective Transferee may obtain funding or complete other necessary steps. Any Hold so recommended is to be reviewed as part of and will take effect following the City Council's approval of a proposed use for the property. The responsibility for maintenance costs during the period of the Hold should be explicit in RES's recommendation.

8.4.3 Complexity

As part of the second-tier evaluation process, RES should classify each proposed Reuse or Disposal decision as "simple" or "complex," using the following factors:

- The potential presence of conflicting proposals;
- The type and amount of consideration proposed or necessary for the property;
- The estimated fair market value of the property;
- Change in zoning requirements required by the proposed action;
- Whether the City will retain any Real Property rights;

Community interest in the property.

Regardless of any other factor, the decision will automatically be classified as "simple" if either of the following applies:

The Office of Housing has proposed that a property be transferred to an entity for the development of affordable housing on the site. Affordable housing is defined as housing affordable to households at or below 80% of Area Median Income for the Seattle-Bellevue, WA HUD Metro FMR Area, as published from time to time by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 program or successor program, with adjustments to household size in a manner determined by the Director of the Office of Housing. OH and RES shall brief the relevant City Council Committee regarding the use of the property for affordable housing, prior to the preparation of the Preliminary Recommendation Report on Reuse or Disposal of Excess Property.

Additionally, regardless of any other factor (except in the case of the automatic classification of a "simple" transaction set forth above), the decision will automatically be classified as "complex" if either of the following applies:

- The estimated fair market value of the property exceeds \$1 25 million
- A "complex" designation has been requested by the Jurisdictional Department, REOC, or City Council.

RES's decision regarding the complexity of the proposed action should be recorded on a *Property Review Process Determination Form* (Appendix F).

8.4.4 Documentation and Distribution of the Preliminary Report

RES should document its analysis and recommendation in a *Preliminary Recommendation Report on Reuse or Disposal of Excess Property (Preliminary Report)*, a summary of which will then be circulated to the REOC, to all City departments and Public Agencies that expressed an interest in the Excess Property, and to members of the public as provided in Section 8.5.3. No decision should be made on the recommendations in the Preliminary Report and it should not be transmitted to Council until at least 30 days after circulation of the notice to the public as provided in Section 8.5.3 in order to allow members of the public an opportunity to comment on the Preliminary Report. The *Property Review Process Determination Form* should be included with the summary of the *Preliminary Report*.

8.4 Simple v. Complex Decisions

8.4.1 Simple Decisions

After the *Property Review Process Determination Form* and the summary of the *Preliminary Report* have been distributed as provided in Section 8.3.4, the process for "simple" and "complex" decisions diverges. For "simple" decisions, legislation is prepared by RES, reviewed and approved by the Law Department and Department of Finance, and sent to the City Council, together with a copy of the *Preliminary Report* and incorporating a report on the public involvement efforts described in Section 8.5.7. The Council may choose not to vote on any legislation sent by the REOC until the public involvement report is provided. If the City Council decides to hold a public hearing on the legislation, notice of the public hearing should be mailed or e-mailed as provided in Section 8.5.8.

8.4.2 Additional Requirements for Complex Decisions

"Complex" decisions require the following additional steps before a Final Recommendation and legislation are prepared for submission to Council:

- 8.4.2.1 RES submits the *Preliminary Report* and a proposed public involvement plan process to the REOC. The purpose of the plan is to actively solicit and obtain the input of neighbors and the general public on the development of the recommendations for the Excess Property. The public involvement plan is to be tailored to the specific facts, location and complexities of the individual Excess Property.
- 8.4.2.2 After REOC approval of the proposed public involvement plan, RES sends a copy of the proposed public involvement plan to the Jurisdictional Department and other City Departments and Public Agencies that expressed an interest in the Excess Property and sends a public notice of the proposed public involvement plan pursuant to Section 8.5.4. RES allows 14 days for comment on the proposed plan prior to briefing the appropriate City Council committee on both the Preliminary Report and the proposed public involvement plan, including any comments received on the public involvement plan. After reviewing the proposed public involvement plan and suggesting any appropriate modifications, the Council Committee approves the public involvement plan for the particular Excess Property.
- 8.4.2.3 RES implements the public involvement plan approved by the appropriate City Council Committee or full Council.

8.4.2.4 After carrying out the public involvement plan, RES prepares a *Final Recommendation Report* (Final Report) to update the *Preliminary Report* and revise recommendations. The Final Report should either incorporate the provisions of the public involvement report described in Section 8.5.7 or have a separate public involvement report that complies with Section 8.5.7 attached to the Final Report. 8.4.2.5 RES submits the *Final Report* to the REOC for approval. After approval by the REOC, the Final Report is submitted to the City Council with any legislation necessary for the proposed Disposition. RES provides a notice of the Final Report or Transmittal of the Legislation to Council pursuant to 8.5.5 and allows a 30-day comment period on the Final Report prior to any briefing of the City Council. A summary of the number and substance of the comments received during the 30-day comment period should be provided to Council prior to or at the first briefing of the Council on the legislation.

8.4.3 City Council Proceedings.

The City Council generally will hold a public hearing before taking action on any "complex" decision and may do so on a Simple Decision. If the Council decides to hold a hearing, Council will advise RES of the date and time of the proposed public hearing, and RES will provide a public notice of the Council hearing pursuant to Section 8.5.8.

8.5 PUBLIC NOTIFICATION

8.5.1 Application of the Notice Process

Excess Property that is 2,000 square feet or less in size is exempt from the public notification requirements in this section 8.5.

8.5.2 Initial Public Notice

When RES circulates the Excess Property Notice, Response and Proposed Use Forms, the Jurisdictional Department or RES should mail notice to all owners, lessees, and residents within 1,000 feet of the Excess Property; to all district councils established by Resolution 27709; and to such other persons and groups that, in the opinion of RES may have an interest in the Reuse or disposal of the Excess Property. The Jurisdictional Department shall consult with RES to determine which groups to notify and the geographic location of the potentially interested groups. RES shall consider the size and location of the Excess Property and the range of potential uses for the Excess Property in determining who should be notified. Types of

groups RES should consider include but are not limited to community and neighborhood associations, local chambers of commerce, and non-profit housing, environmental and open space preservation groups.

8.5.2.2 This initial notice should describe the location of the Excess Property; explain its status as Excess Property; briefly describe the Reuse and Disposition Process; explain that this notice is part of the initial stage of determining what the City should do with the Excess Property, in which the Jurisdictional Department makes a recommendation about the Excess Property; generally explain potential alternatives such as reuse by another department or public entity or sale to the public or others; and invite comments, suggestions and recommendations from the public for a period of 30 days after the notice, on what should happen with the Excess Property. The notice should also explain that failure to comment or participate at this stage may preclude further notice at a later stage in the process.

8.5.3 Notice of Preliminary Report.

When RES prepares its Preliminary Report and circulates it to City Departments and Public Agencies, RES should provide the public an opportunity to comment on the Preliminary Report.

- 8.5.3.1 RES should mail or e-mail a notice, along with a copy of the summary of the Preliminary Report being circulated, to those persons and entities who responded to the Initial Public Notice. This notice should advise that RES and REOC will consider comments on the Preliminary Report for 30 days after mailing of the Notice and the summary of the Preliminary Report and advise the recipient where and to whom any comments should be addressed.
- 8.5.3.2 In addition, RES should post one sign visible to the public at each street frontage abutting the Excess Property except, when there is no street frontage or the Excess Property abuts an unimproved street, RES may post signs at alternative posting locations on or as near to the Excess Property as possible so that notice is clearly visible to the public. The sign should contain a map showing the Excess Property, advise the public of the general recommendation for disposal of the Excess Property contained in the Preliminary Report and where and how a complete copy of the Preliminary Report may be obtained, advise the public that comments on the Preliminary Report received by a date certain no less than 30 days after the posting of the sign will be considered before the Council makes any final

decision, and advise the public where and to whom any comments should be addressed. The sign should be at least 11 inches by 14 inches in size, with headings that can be read from a distance of 75 feet by persons of normal visual acuity.

8.5.4 Notice of Proposed Public Involvement Plan — (Complex Decisions Only)

At least 14 days prior to briefing the appropriate City Council committee on the proposed public involvement plan as described in Section 8.4.2.1, RES will mail or email a notice to those persons and entities who had submitted comments pursuant to Initial Public Notice or pursuant to the Notice of the Preliminary Report. This notice should describe the Excess Property and the disposal disposition process, explain that a Preliminary Report has been developed, outline the proposed public involvement plan for reviewing and providing input on the Preliminary Report and where to obtain a copy of the proposed public involvement plan (if there is a separate plan), explain that there is a 14-day comment period on the proposed public involvement plan, and advise how and to whom to send comments on the proposed public involvement plan.

8.5.5 Notice of Final Report or Transmittal of Legislation

When legislation is transmitted to the City Council that incorporates or includes a recommendation on disposal of Excess Property in a Simple Decision or when RES submits the Final Report and any necessary legislation to City Council in a Complex Decision, a notice should be mailed or e-mailed to the persons and entities that provided comments in response to the Initial Public Notice, the Notice of the Preliminary Report or the Notice of the Proposed Public Involvement Plan (Complex Decision only). The notice should advise that legislation regarding the Excess Property (and a Final Report in the case of a Complex Decision) is being transmitted to Council, outline the next steps in the legislative decision making process, include the RES/REOC recommendation for disposition of the Excess Property, and describe where and how one can submit comments on the legislation or Final Report. In the case of a Final Report, the notice should advise that there is a 30-day period in which to provide comments on the Final Report before the City Council will take action.

8.5.6 Renotification

If a Final Report (in the case of a Complex Decision) or legislation containing a disposal recommendation has not been sent to the City Council for approval within 18 months of the date that the Initial Public Notice was sent, then RES shall again notify the public about the status of the Excess Property in the disposal process using mailed notice to those parties described in Section 8.5.2. This notice should describe whether a Preliminary or Final Recommendation Report on reuse or disposal has been completed; whether negotiations are underway with any interested Transferee; and that the Excess Property continues to be available for transfer, purchase or for other use or disposal.

8.5.7 Public Involvement Report.

Along with the As part of the Preliminary Report (in a Simple Decision) and as a part of the Final Report (in a Complex Decision) sent to the City Council, the REOC should shall send to the City Council include a report on the public involvement process. The report should describe the public notification process used to comply with the provisions of this Section 8.5, as applicable, and include a list of all persons and entities notified by mail or e-mail, the date of the notice(s) and of the posting, the dates and locations of any public meetings, a copy of the notice(s) sent, and a summary of the number and substance of the public comments received.

8.5.8 Notice of Council Public Hearing.

If the City Council decides to hold a public hearing on the disposal of the Excess Property, RES will provide a notice of the public hearing at least 14 days prior to the hearing, by mailing or e-mailing a notice to those persons or entities who have submitted comments or responses in response to the notices previously provided regarding the disposal of the Excess Property, advising of the time and date of and opportunity to submit comments to the City Council at the Public Hearing about the proposed disposal of the Excess Property.

8.5.9 RES Website Information.

RES will maintain a website with current information on the status of all Excess Properties under active consideration for reuse and disposal, including information on which step in the Excess Property reuse and disposal process each such property is in, links to any relevant reports, and contact names of staff in the relevant City department(s) who can provide additional information and respond to questions from the public.

8.6 IMPLEMENTATION AFTER CITY COUNCIL APPROVAL

After the City Council has approved the disposal-, the Jurisdictional Department or other department authorized by the City Council should proceed with implementation.

If a Hold was approved, the REOC may allow a 1-year extension of the Hold. This extension may be granted only upon submittal of evidence that the transaction is still viable and progress has been made towards completing the conditions for which the Hold was granted.

If the conditions of the Hold have not been met following the expiration of the second year, if the proposed Transferee did not seek an extension of the Hold, or if such request was denied by the REOC, notice of the property's availability will be recirculated consistent with the process outlined under Initial Notification and Response in Section 8.1.

UNDERUTILIZED PROPERTY REVIEW FORM

PROPERTY MANAGEMENT AREA (PMA) NAME, as found in RPAMIS:
ADDRESS:
LEGAL DESCRIPTION:
KING COUNTY TAX I.D.#:
CURRENT USE:
EXCESS CAPACITY: Please provide a description of the Excess Capacity of this PMA, e.g., available land, type of building space available, amount of usable building space available, or time-of-day availability.
POTENTIAL JOINT USES:
RESTRICTIONS ON USE and Source of Restrictions:
ORGANIZATIONAL POLICIES/DIRECTIVES REGARDING USE:
Jurisdictional Department:
Reviewer:Date:

EXCESS PROPERTY DESCRIPTION

The Jurisdictional Department should provide the information listed below to RES with its declaration of Excess Property. The RES will incorporate selected information in a circulation notice to City departments and Public Agencies.

- 1. Property Management Area (PMA) Name and Address.
- 3. Legal Description.
- 4. Tax Parcel I.D. Number(s), Property Management Area (PMA) I.D. and Subject Parcel ID's (as found in RPAMIS).
- 5. Snapshots or aerial photo of property, including current structures if any.
- 6. Brief history of property, including the original fund source and the reason The City acquired it
- 7. Copies of ordinance(s) authorizing acquisition, and any amendments or updates to that ordinance(s).
- 8. Citation of ordinances, statutes and regulations that particularly or uniquely affect or apply to this specific property.
- 9. Current easements, covenants and restrictions (as flagged in RPAMIS).
- 10. Recommended easements, covenants and restrictions upon transfer.
- 11. Jurisdictional Department's opinion on any current code or ordinance violations or delinquencies.
- 12. Fund to which Sale proceeds would accrue.
- 13. Jurisdictional Department's rough estimate of market value, expressed as a range of value, and basis for conclusion.
- 14. Any potential problems and any possible measures that could be taken to mitigate or prevent recurrence of problems

The Jurisdictional Department should attach copies of the following documents to this form: Copies of conveyance documents, leases, contracts, easements, title reports and surveys.

EXCESS PROPERTY NOTICE

DATE:	
ТО:	
FROM:	Real Estate Services
SUBJECT:	Property Name, Address
and Public	ed described Real Property under the jurisdiction of the Department of its considered excess to the needs of that department. City departments Agencies are being informed of its potential availability in accordance with ares for the Evaluation of City Real Property for Reuse and Disposal.
	formation regarding this property can be obtained from phone:
department has or need include the your depart jurisdiction	ing the attached response form, please indicate whether your agency of it is interested in acquiring the property or jurisdiction over it, whether it is facilities, utilities or access rights on, through or over the property, or Department's comments concerning the property's Disposal or Reuse. It is the property of the property Proposed Use Form must be attached to your disposed by the Director or authorized designee of your organization.
All respon	ses must be signed and dated. Responses must be received by

CITY OF SEATTLE EXCESS PROPERTY RESPONSE FORM

Date:
PROPERTY NAME, ADDRESS
LEGAL DESCRIPTION:
KING COUNTY TAX I.D.#:
PMA ID#:
SUBJECT PARCEL ID#'s:

Department/Public Agency:
We have no interest in this property.
We are interested in acquiring the property or jurisdiction over it. A completed <i>Excess Property Proposed Use Form</i> is attached to this response.
We have facilities on the property or access rights through or across the property as described below (add additional sheets as necessary):
We need facilities on the property or access rights through or across the property as described below (add additional sheets as necessary):
We have identified the following plans, policies, objectives, limitations or other factors as found in adopted or proposed City plans and policies that may affect the Reuse or Disposal of the property (add additional sheets as necessary):
We have the following comments regarding the proposed Reuse or Disposal of this property(add additional sheets as necessary):
Reviewer Department Date

EXCESS PROPERTY PROPOSED USE FORM
PROPERTY NAME, ADDRESS
LEGAL DESCRIPTION:
KING COUNTY TAX I.D.#:
PMA ID#: SUBJECT PARCEL ID#'s:
RESPONDING DEPARTMENT/AGENCY
CONTACT PERSON: PHONE:
PROPOSED USE: Describe the proposed use for the property, including information on potential improvements, users, tenure, impact on neighborhood such as parking, traffic volumes. (Attach additional pages as necessary).
EST. IMPLEMENTATION DATE: EST. COST : EXPECTED TERM OF USE: FUND SOURCE(S): Are funds appropriated?YESNO. If no, when will funds be appropriated?
BENEFITS TO THE CITY OF SEATTLE FROM THIS PROPOSAL:
SUPPORTING POLICIES. List the adopted plans and policies (itemize specific sections in major documents) which support, or are implemented by, this proposed use.
Signature of Department/Agency Director or designee (Printed or typed name)

PROPERTY REVIEW PROCESS	DETERMINATION FORM	
Property		
Name:Address:		
PMA ID: Subje	ect Parcel #;s:	
Dept./Dept ID:/Current Use:		
Area (Sq. Ft.): Zoning:		
Est. Value:Assesse	d Value:	
PROPOSED USES AND RECOMMENDED	USE	
Department/Governmental Agencies: Pro	posed Use:	
Other Parties wishing to acquire: Pro	posed Use:	
RES'S RECOMMENDED USE:		
PROPERTY REVIEW PROCESS DETERM	TNATION (airela annyanyieta regnance)	
1.) Is more than one City dept/Public Agency v		5
2.) Has the community submitted an independ		J
of the property? Are there any pending c		5
Reuse/ Disposal?		
3.) Have citizens, community groups and/or contacted the City regarding any of the p	<u>-</u>	
strong community support for one or		
options?		_
4.) Will consideration be other than cash?	No/Yes 10	0
5.) Is Sale or Trade to a private party being red	ommended? No / Yes 28	5
6.) Will the proposed use require changes in zo	ning/other regs? No / Yes 20	0
7.) Is the estimated Fair Market Value \$21,000,000?	between \$ 250 500,000- No/Yes 10	0
8.) Is the estimated Fair Market Value over \$2	1,000,000? No/ Yes 48	5
Total Number of Points Award	ed for "Yes" Responses:	

Property Classification for	purposes of Disposal review:	Simple	/	Complex (circle
one) (a score of 45+ points results in "Complex" classification)				
Signature	Department		Da	ate

TABLE 1. PROCEDURES FOR PERIODIC REVIEW OF REAL PROPERTY BY JURISDICTIONAL DEPARTMENT \boldsymbol{a}

Property Classification	Minimum Frequency b	Purpose	Elements of Review	Comments
Fully Utilized Municipal Use	Every 5 years, with 1/5 annually ^c	Recommend retention for current use, transfer of jurisdiction to another department, or reclassification	Criteria and factors in adopted Council policy.	
Underutilized	Annually	Identify potential additional uses	 Additional uses the property can accommodate (Jurisdictional Department may ask RES for help) Compatibility of such additional uses with existing or planned use. 	Requires use of Underutilized Property Review Form. Jurisdictional Department to solicit
			Criteria and factors in adopted Council policy	proposals for Joint Use of Underutilized Property.
Interim Use	Annually	Review status	 Status of proposed future use Potential municipal uses for short or long term 	
Unused	Annually	Identify future uses or reclassify as Excess	Criteria and factors in adopted Council policy	If needed for future Municipal Use, consider Interim Use. If no identified current or future Municipal Use, declare as Excess

a Upon notification to RES, review function may be delegated to Managing Department or to RES.

b Unscheduled review of a specific property may be requested by Mayor, City Council, or RES staff. City departments, Public Agencies, or private entities may also ask for review, but must direct request to RES.

\mathbf{c}	Exceptions possible if so granted by RES, for properties with deed restrictions that specify or limit use

TABLE 2. DETAILS TO BE REPORTED ON THE EXCESS PROPERTY RESPONSE FORM

SOURCE	RESPONSIBILITY
All departments and Public Agencies	Identify plans or policies—whether adopted or proposed—that may affect the Reuse or Disposal of the Excess Property, and specify relevant planning objective or limitations therein.
	Describe utilities or facilities, specific to respondent, currently on the Excess property.
	List property rights specific to respondent (such as Easements) across, to, or through the Excess property that may be needed.
	Search records going back 3 years to provide information received about the specific property from Public Agencies, individuals, or other entities.
	Identify any interest in acquiring the property.
Seattle Public Utilities Department	Identify Easement rights that should be reserved for existing or future utilities if the property is transferred to a non-City entity.
Seattle City Light	Identify Easement rights that should be reserved for existing or future utilities if the property is transferred to a non-City entity.
Law Department	Assist in identifying restrictions on Reuse or Disposal.
	Help resolve any Encumbrance issues.
	Note: The Jurisdictional Department and Real Estate Services should provide relevant documents for this purpose.
Department of Planning and Development	Identify planning and management goals for the area in which the property is located, as identified in the Comprehensive Plan and other adopted plans and policies.
Neighborhood Planning Office	Identify any neighborhood plans that have been adopted for the area in which the property is located.
	Identify whether a proposal for acquisition, use, or Disposal of the property has been developed as part of an adopted neighborhood plan.