

CITY OF OLYMPIA

**PROCEDURES FOR
THE EVALUATION OF CITY REAL PROPERTY
FOR REUSE AND DISPOSAL**

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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 party 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 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 a City Department has formally determined it no longer needs for current or future use.
Fully Used Municipal 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.
Interim Use	The use of property for a non-municipal use(s) or alternative municipal use on a short term basis during the period of time prior to it being used for its proposed and/or intended future municipal use.
Joint Use	The shared use of City-owned Real Property by two or more departments or by a City department(s) and one or more Public Agencies or private parties.
Jurisdiction	Primary responsibility and authority for Real Property as assigned 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 Olympia) government entity, including, but not limited to school districts, port districts, State of Washington, fire districts, or other public development authorities.

Real Property	Land and appurtenances to land, including buildings, structures, fixtures, fences, and improvements erected upon or affixed to the same.
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, 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.
Special Use Property	Real Property owned by the City that contains unique or special provisions, covenants, or restrictions regarding its use and/or sale.
Surplus Property	Excess Property formally designated by the City Council as not needed to carry out any recognized goal or policy of the City.
Transfer	The conveyance to a non-City entity of all or a portion of the rights associated with a parcel of Real Property
Underused 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 Olympia (City).

3.0 SUMMARY

Following the standard procedures described below, the City should classify every property under its jurisdiction and review the classifications regularly. When suitable and compatible, additional uses should be considered 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 following standard procedures for notifying and soliciting proposals from prospective users will be utilized unless

otherwise directed by the City Manager or City Council. Classifications and uses of Real Property owned in fee simple by the City are maintained by the Assistant City Manager.

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. All City departments are subject to these procedures unless superseded by City ordinance, state law, or federal law, or as otherwise directed by the City Manager or City Council.

5.0 GUIDING PRINCIPLES FOR THE REUSE AND DISPOSAL OF REAL PROPERTY

- A. It is the intent of the City to utilize its Real Property in order to further the City's goals and to generally 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 and should take into consideration current market conditions.
- B.C. Real Property owned by the City that has been identified as a candidate for a public/private partnership for economic development purposes is exempted from these procedures. Decisions on use of these properties will be made directly by the City Council.
- C.D. So that Real Property decisions are made within a City-wide context, recommendations made to the City Council on such matters should be made by the Assistant City Manager in consultation with Department Directors or their designees. Lead responsibility for analysis of Reuse and Disposal of Real Property is assigned to the Assistant City Manager, unless delegated.
- D.E. 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.F. The decision-making process described in these procedures and the resulting decisions will be interpreted and applied in a manner to comply with federal, state, and local laws and regulations.
- F.G. 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 exchange of use or ownership of City property or provide any claim for damages or other relief.
- G.H. The Legal Department should be consulted as needed in the process and at a 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 analysis, including environmental due diligence, and review required under the State Environmental Policy Act; and (c) the form and substance of any proposed transaction documents.

H.I. 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.

H.J. Nothing in these procedures should be construed as favoring one municipal purpose over another.

6.0 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 Olympia.

6.1 CLASSIFICATION

All Real Property owned in fee simple by the City of Olympia should be classified into one of the following categories:

- Fully Used Municipal Property
- Underused Property
- Interim Use Property
- Unused Property
- Excess Property
- Surplus Property, when previously so determined by Council action.

All classification data will be maintained by the Assistant City Manager in the City Property Database. The classification process is to be completed by the end of the calendar year in which these procedures are adopted.

The Fully Used and Underused categories reflect some level of Municipal use. Interim Use reflects a short term 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. The excess category reflects a decision that the property is no longer needed for Municipal Use. The Surplus category reflects the City Council's explicit direction that the City no longer needs the property for any municipal purpose. Special Use Property with unique restrictions or covenants will be notated in the City Property Database.

6.2 PERIODIC REVIEW

After the initial classification effort, the status of each property will be reviewed every two years to consider the suitability of each property for its current use and to consider Reuse or Disposal of Underutilized and Unused Property.

The City Council may request that a specific property be reviewed at a time not normally scheduled.

6.3 REPORTING

For the purposes of maintaining the accuracy of the City Property database, all departments are to report changes in the status of Real Property within 30 days of the change.

A status report of all City property covered by these procedures will be delivered at the first of the year, every two years to the City Council. City Council or the City Manager may request additional status reports as needs arise.

7.0 CHANGES IN EXCESS PROPERTY

When a parcel of the City's Real Property becomes Excess and/or is not needed for Economic Development Purposes, Public Agencies, and the public are to be notified of its availability, and asked to identify their interest in it.

The Assistant City Manager shall determine whether requests and/or proposals for Excess Property uses are feasible and/or sufficient prior to being forwarded to the City Council for review and approval.

7.1 INITIAL NOTIFICATION AND RESPONSE

When a City department determines it no longer has a use for a specific piece of City property, it should complete a *Property Description Change in Use/Need* (Appendix A) and send the form to the Assistant City Manager. The Assistant City Manager will work with other departments to determine if there are other uses for the property. If no other uses are identified internally, the Assistant City Manager will prepare an *Excess Property Notice* (Appendix B). The notice will be distributed as appropriate to Public Agencies, citizens, community groups, or other interested parties. 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; generally explain potential alternatives for reuse; 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.

With the *Excess Property Notice*, the Assistant City Manager will also distribute an *Excess Property Response Form* (Appendix C) and an *Excess Property Proposed Use Form* (Appendix D). Respondents will be provided with a 30 day notice to return these forms to the Assistant City Manager. Extensions may be granted depending upon circumstances and are at the sole discretion of the Assistant City Manager.

7.2 EVALUATION OF EXCESS PROPERTY RESPONSES

Upon receipt of the completed *Excess Property Proposed Use Forms*, the Assistant City Manager will analyze the proposed uses and consider any public comments or input received in response to the *Excess Property Notice*.

When evaluating responses to proposed uses of Excess Property, the Assistant City Manager will prioritize proposed uses in the following order:

- 1) Public Agencies
- 2) Non-Profit Agencies
- 3) Community Groups
- 4) Citizens, other interested parties

This priority serves only as a guideline for evaluating responses and formulating recommendations. The final decision on future use and sale of City Real Property rests with the City Council.

The Assistant City Manager may recommend one of several options for Council consideration:

- Establishment of an Interim Use until future Municipal Uses or other uses are identified or implemented
- Transfer of use to a specific non-City entity or organization for a defined Municipal Use or community benefit
- Designation as Surplus property to be sold

7.3 DETERMINATION OF COMPLEXITY

As part of the evaluation process, the Assistant City Manager should classify each proposed Reuse or Disposal decision as “simple” or “complex”. “Complex” decisions may require significant staff analysis or additional public outreach as compared to “simple” projects based on 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 based on an appraisal or other means of determining fair market value
- Change in zoning requirements required by the proposed action
- Possibility of property contamination or clean-up requirements
- Whether the City will retain any Real Property rights
- Community interest in the property

Regardless of any other factor, proposed reuse or disposal decisions will automatically be classified as “complex” if any of the following applies:

- The fair market value of the property exceeds \$750,000 based on an appraisal or other means of determining fair market value
- Property use is restricted by special provisions or covenants, or is proposed to be restricted by special provisions or covenants as a condition of sale
- A “complex” designation has been required by the City Manager or City Council

7.3.1 Simple Decisions

For “simple” decisions, The Assistant City Manager will prepare a *Final Recommendation Report (Final Report)*, which will be circulated as necessary to all Public Agencies, citizen, community groups, or other parties that expressed interest in the Excess Property. A 30 day timeframe will be provided to allow for comments on the *Final Report*. A copy of the *Final Report*, along with a summary of comments received and the necessary conveyance documents will be forwarded to Council for approval.

7.3.2 Complex Decisions

“Complex” decisions require the following additional steps before a final recommendation is sent to City Council for approval:

- The Assistant City Manager or his/her designee will prepare a Public Involvement Plan. The purpose of the plan is to actively solicit and obtain the input of neighbors and the general public on the proposed 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.
- The Assistant City Manager will provide a *Draft Preliminary Report*, along with the proposed Public Involvement Plan to the Finance Committee for review and comment. After reviewing the proposed Public Involvement Plan and suggesting changes, the Finance Committee approves the Public Involvement Plan for the particular Excess Property.
- The Assistant City Manager or his/her designee implements the Public Involvement Plan approved by the Finance Committee or full Council.
- After carrying out the public process set forth in the Public Involvement Plan, the Assistant City Manager will prepare a *Final Recommendation Report (Final Report)*. The *Final Report* will incorporate and/or provide a summary of the public comments received through the implementation of the Public Involvement Plan. The *Final Report*

will be transmitted to the full Council for review, at which time a determination on moving forward with the sale of the property is made.

- If the determination is made to move forward with sale of the property, the conveyance documents will be forwarded to Council for final approval.

7.4 CITY COUNCIL PROCEEDINGS

The City Council may hold a public hearing before taking action on any “complex” or “simple” decision, but is not required to do so.

8.0 IMPLEMENTATION AFTER CITY COUNCIL APPROVAL

After the City Council has approved the disposal, the Assistant City Manager or his/her designee will proceed with implementation.

Appendix A

PROPERTY DESCRIPTION CHANGE IN USE/NEED

The Department should provide as much of the following information listed below as possible to the Assistant City Manager with its determination that it no longer has a use or need for a specific piece of City property.

1. Property Name and Address.
2. Legal Description.
3. Tax Parcel I.D. Number(s).
4. Description of Current Property Use.
5. Photograph or aerial photo of property, including current structures, if any.
6. Brief history of the property, including original fund source and the reason the City acquired it. Indicate if any grant monies may be in jeopardy by sale of the property.
7. Copies of ordinance 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 a conveyance of this specific property.
9. Current easements, covenants and restrictions.
10. Recommended easements, covenants and restrictions upon transfer.
11. Knowledge of any current code or ordinance violations or delinquencies.
12. Fund to which sale proceeds would accrue.
13. Rough estimate of market value, expressed as a range of value, and basis for conclusion.
14. Any potential problems associated with the conveyance of the site and/or possible measures to mitigate those problems. Potential problems to consider include: risks to public safety or natural resources from sale to a private party; and contamination risks, known or unknown.

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

Appendix B

EXCESS PROPERTY NOTICE

Date:

TO:

FROM: Assistant City Manager

SUBJECT: Property Name, Address

The attached described Real Property owned by the City of Olympia is considered excess to the needs of the City. Public Agencies and other potential interested parties are being informed of its potential availability in accordance with the *Procedures for the Evaluation of City Real Property for Reuse and Disposal*.

Further information regarding this property can be obtained from _____ at [phone number]. For questions regarding the City's Excess Property circulation and review process, please call the Assistant City Manager at [phone number].

When completing the attached response form, please indicate your interest in acquiring the property, your needs facilities, utilities or access rights on, through or over the property, or any comments concerning the property's Disposal or Reuse. If you are interested in acquiring the property, an *Excess Proposed Use Form* must be attached to your response and signed by you or the authorized designee of your organization.

All responses must be signed and dated. Responses must be received by

_____.

Appendix C

EXCESS PROPERTY RESPONSE FORM

Date:

PROPERTY NAME, ADDRESS

LEGAL DESCRIPTION

PARCEL I.D. #

Respondent: _____

_____ We have no interest in this property

_____ We are interested in acquiring the property or jurisdiction over it. A completed *Excess Property Proposed Use Form* 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 the following comments regarding the proposed Reuse or Disposal of this property (add additional sheets as necessary).

Respondent Signature: _____ Agency/Organization: _____

Date: _____

Appendix D

EXCESS PROPERTY PROPOSED USE FORM	
PROPERTY NAME, ADDRESS: _____	
LEGAL DESCRIPTION: _____	
PARCEL I.D. #: _____	
RESPONDENT/ORGANIZATION: _____	
CONTACT PERSON: _____	PHONE: _____
PROPOSED USE: Describe the proposed use for the property, including information on potential improvements, users, terms, etc. (Attach additional sheets as necessary).	
EST. IMPLEMENTATION DATE: _____ EST. COST: _____	
EXPECTED TERM OF USE: _____ FUND SOURCE(S): _____	
Are funds appropriated? ___ Yes ___ No. If no, when? _____	
BENEFITS TO THE CITY OF OLYMPIA FROM THIS PROPOSAL:	
SUPPORTING POLICIES: List the adopted plans and policies (itemize specific sections in major documents) which supports, or are implemented, by this proposed use:	
_____ Signature of Respondent	_____ Date
_____ Printed or Typed Name	