

Legislation Text

File #: 2019-0421, Version: 2

AN ORDINANCE relating to financial investment properties; and amending
Ordinance 10245, Section 6, as amended, and K.C.C. 4.56.075.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 10245, Section 6, as amended, and K.C.C. 4.56.075 are hereby amended to
read as follows:

A. The facilities management division shall determine which real properties within the inventory of county-owned properties (~~((are defined by this section))~~) shall be considered "financial investment properties," including those properties classified as such in Ordinance 15570. All financial investment properties shall be inventoried at least every three years to coincide with the appraisal valuations required by this section. These properties are currently not needed for county use but are held to provide a financial return to the county. It is the ultimate objective of the county to dispose of this type of property. Disposal should not occur until optimal market conditions exist for maximizing financial return to the county.

B. All financial investment properties (~~((within this category))~~) shall have an initial value established by an appraisal (~~((or))~~) performed by an independent appraiser, except that for any financial investment property with an apparent value of less than five hundred thousand dollars, in lieu of ((this)) an independent appraisal, the initial value ((shall)) may be established by the facilities management division.

C. Except as provided in subsection E. of this section, all financial investment properties with values of less than five hundred thousand dollars shall be revalued by independent appraisal or by the facilities management division every three years from when the initial value was established until the property (~~((is disposed of))~~) is no longer owned by the county. If a financial investment property increases in value to more

than ~~(((\$500,000))~~ five hundred thousand dollars, it is subject to the provisions in subsection D. of this section.

D. All financial investment properties with values of greater than five hundred thousand dollars shall be valued by an independent appraiser. Except as provided in subsection E. of this section, these properties shall be revalued every three years from when the initial value was established until the financial investment property is no longer owned by the county.

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

F. All appraisals of financial investment properties shall address the following factors:

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

G. A proposal to dispose of a financial investment property ~~((in this category))~~ shall be based upon an independent appraisal ~~((which))~~ that has been performed within the past twelve months. A financial investment property shall be sold if analysis of its income producing potential and current market sales conditions demonstrates that a greater return to the public will be provided through sale of this property.

H. Financial investment ~~((P))~~ properties ~~((in this category))~~ shall be disposed of in accordance with ~~((Ordinance 12045 and K.C.C. 4.56.100))~~ this chapter. In no case shall a financial investment property be sold for less than its appraised value or a value that reflects the income producing analysis required in subsection G. of this section, whichever is higher. ~~((The appraised value shall be established by an independent appraisal~~

~~which has been completed within six months of the sale of this property.))~~

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

J. By June 30, 2021, and with each inventory of the financial investment properties as required by subsection A. of this section, the facilities management division shall provide the council with a copy of the inventory. The inventory shall be electronically filed with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff to the budget and fiscal management committee, or its successor. The inventory shall include for each financial investment property:

1. The physical address;
2. The tax parcel number;
3. The council district in which the property is located;
4. The name of the lessee, if any, and number of years remaining on the lease; and
5. The current value and the year in which the most recent appraisal was completed.

K. If, in accordance with subsection A. of this section, the facilities management division determines that a property no longer should be considered a financial investment property and should be removed from the inventory of such properties, at least sixty days before removing a property from the financial investment property inventory, the facilities management division shall notify the council in writing. The notification shall be electronically filed with the clerk of the council, who shall retain an electronic copy

and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the budget and fiscal management committee, or its successor.