

August 20, 1991  
FINVEST.ORD (NM:clt)

Introduced by: Ron Sims

Proposed No.: 91-680

ORDINANCE NO. **10078**

AN ORDINANCE establishing a policy for  
the management of county-owned financial  
investment properties.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

NEW SECTION. SECTION 1. Financial Investment Properties.

A. By January 1, 1992 the real property division shall determine which properties within the inventory of county-owned properties are defined 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 properties within this category shall have an initial value established by an appraisal completed no earlier than June, 1990 or, in lieu of this appraisal, a value shall be established by the Real Property Division. These valuations shall be completed no later than June 1, 1992.

C. All properties with initial values of less than \$500,000 shall be revalued by the real property division no more than three years from when the initial value was established and every three years thereafter until the property is disposed of. If a property increases in value to more than \$500,000 it is subject to the provisions in paragraph D.

D. All properties with initial values of greater than \$500,000 shall be valued by an independent appraiser. These properties shall be revalued within three years of establishment of the initial value and every three years thereafter.

E. All appraisals shall address the following factors:

1. Current market conditions and trends which affect the value of the property;

- 1           2. Potential market conditions;
- 2           3. Value of any improvements on the property;
- 3           4. Impact on property value of temporary and permanent
- 4 encumbrances upon the property such as leases, easements and
- 5 any other arrangement which encumbers any portion of the
- 6 property; and
- 7           5. Any other factors which, in the professional
- 8 judgement of the appraiser, affect the value of the property.

9           F. A proposal to dispose of a property in this category  
10 shall be based upon an appraisal which has been performed  
11 within the past twelve months. A property shall be sold if  
12 analysis of its income producing potential and current market  
13 sales conditions demonstrates that a greater return to the  
14 public will be provided through sale of this property.

15           G. Properties shall be disposed of through a public  
16 auction process. In no case shall a property be sold for less  
17 than its appraised value. This value shall be established by  
18 an independent appraisal which has been completed within six  
19 months of the sale of this property.

1 H. In order to ensure that properties in this category  
2 that are retained by the county provide the optimal return, all  
3 lease renewals and extensions shall be authorized by ordinance.

4 INTRODUCED AND READ for the first time this 19<sup>th</sup> day  
5 of August, 1991.

6 PASSED this 3<sup>rd</sup> day of September, 1991.

7 KING COUNTY COUNCIL  
8 KING COUNTY, WASHINGTON

9 Low North  
10 Chair

11 ATTEST:

12 Gerald A. Peter  
13 Clerk of the Council

14 APPROVED this 16<sup>th</sup> day of September, 1991.

15 Jim Zell  
16 King County Executive



**King County Executive**  
**TIM HILL**

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September 16, 1991

The Honorable Lois North, Chair  
King County Council  
Room 402  
C O U R T H O U S E

RE: Ordinance No. 10078 - Financial Investment Properties

Dear Councilmember North:

I have signed Ordinance No. 10078 with minor reservations.

It should be the County's general policy to sell its financial investment properties through the public auction process. However, according to KCC 4.56.100 there may be situations where public auctions may not maximize the County's financial return. In those cases the Executive's administrative authority to dispose of properties in the most appropriate way would be limited by Council action.

If it becomes necessary for the Executive branch to explore alternative methods for disposing of the County's financial investment properties, the Council will be contacted.

Sincerely,

Tim Hill  
King County Executive

cc: Jesus Sanchez, Director, Executive Administration  
ATTN: Pearl McElheran, Manager, Real Property

