

11/28/95
CAJ:cj
prop-cln2

Introduced By: Ron Sims

Proposed No.: 95-620

1 SUBSTITUTE
2 ORDINANCE NO. 12045

3 AN ORDINANCE relating to the acquisition, management,
4 sale, leasing and disposition of personal and real property for
5 and by the county, repealing Ordinance 2622, Sections 4, 5,
6 6, 7, as amended, 8, as amended, 9, 10, 11, as amended, 14,
7 15, 17, 18 and 19, as amended, Ordinance 10078, Ordinance
8 6649, Sections 1 and 2, Ordinance 4233, as amended,
9 Ordinance 9150, Sections 1 and 2, and Ordinance 620,
10 Section 2 (part), as amended, and K.C.C. 3.38.010,
11 K.C.C. 3.38.020, K.C.C. 4.04.040, K.C.C. 4.56.030,
12 K.C.C. 4.56.040, K.C.C. 4.56.050, K.C.C. 4.56.060,
13 K.C.C. 4.56.070, K.C.C. 4.56.075, K.C.C. 4.56.080,
14 K.C.C. 4.56.090, K.C.C. 4.56.095, K.C.C. 4.56.100,
15 K.C.C. 4.56.130, K.C.C. 4.56.140, K.C.C. 4.56.150,
16 K.C.C. 4.56.160, K.C.C. 4.56.170, and K.C.C. 4.56.180,
17 adding new sections to K.C.C. 4.04 and K.C.C. 4.56, and
18 renaming K.C.C. 4.56.
19

20 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

21 SECTION 1. Ordinance 2622, Sections 4, 5, 6, 7, as amended, 8, as amended, 9, 10,
22 11, as amended, 14, 15, 17, 18 and 19, as amended, Ordinance 10078, Ordinance 6649,
23 Sections 1 and 2, Ordinance 4233, as amended, Ordinance 9150, Sections 1 and 2, and
24 Ordinance 620, Section 2 (part), as amended, and K.C.C. 3.38.010, K.C.C. 3.38.020,
25 K.C.C. 4.04.040, K.C.C. 4.56.030, K.C.C. 4.56.040, K.C.C. 4.56.050, K.C.C. 4.56.060,
26 K.C.C. 4.56.070, K.C.C. 4.56.075, K.C.C. 4.56.080, K.C.C. 4.56.090, K.C.C. 4.56.095,
27 K.C.C. 4.56.100, K.C.C. 4.56.130, K.C.C. 4.56.140, K.C.C. 4.56.150, K.C.C. 4.56.160,
28 K.C.C. 4.56.170, and K.C.C. 4.56.180 are hereby repealed.

29 NEW SECTION. SECTION 2. There is added to K.C.C. 4.56 a new section to read
30 as follows:

31 **Director, department of construction and facility management; property**
32 **services division - responsibilities and powers.** Subject to the delegation of authority by
33 the director, the property services division shall have the responsibilities and powers
34 assigned to the division in K.C.C. 4.56, as amended.

35 NEW SECTION. SECTION 3. There is added to K.C.C. 4.56 a new section to read
36 as follows:

1 **Sales of personal property - Value exceeding five thousand dollars.** If the item or
2 lot of surplus personal property carries a depreciated value of not less than five thousand
3 dollars and not more than two hundred fifty thousand dollars in the current inventory, a
4 survey committee will be convened to estimate the market value of an item of personal
5 property, and the committee shall then advise the date, location and manner of sale that is
6 likely to be the most advantageous to the county. The originating department, the manager
7 of the property services division, and the director, department of construction and facility
8 management are to be represented on each survey committee that is convened. When the
9 survey committee determines that an item or lot of surplus personal property carries a
10 depreciated value of two hundred fifty thousand dollars or more, the county executive shall
11 not dispose of said personal property without prior approval by motion of the council. The
12 motion approved by the council shall state concisely a description of the item or lot of
13 surplus personal property and procedures to be followed by the executive in disposing of the
14 personal property through sale.

15 NEW SECTION. SECTION 4. There is added to K.C.C. 4.56 a new section to read
16 as follows:

17 **Property services division - Responsibilities.** A. Except as otherwise provided in
18 this chapter, the property services division, acting under the supervision of the director,
19 department of construction and facility management, shall be the sole organization
20 responsible for the administrative processes of acquiring, disposing, inventorying, leasing
21 and managing real property, the legal title of which rest in the name of the county, or which
22 the county manages in a trust capacity.

23 B. The property services division shall be the sole agency responsible for inventorying
24 and disposing of county personal property.

25 C. Open space, trail, park, agriculture and other natural resource properties shall be
26 acquired by the department of natural resources, unless the executive directs the property
27 services division to make such acquisitions.

28 D. Real property and interests in real property necessary for the metropolitan public
29 transportation and metropolitan water pollution abatement functions shall be acquired and
30 managed by the departments of transportation and natural resources, respectively, as set

1 forth in this chapter, unless the executive directs the property services division to make such
2 acquisitions and/or manage such properties.

3 E. County departments shall be responsible for maintaining all real property for which
4 they are the custodian.

5 NEW SECTION. SECTION 5. There is added to K.C.C. 4.56 a new section to read
6 as follows:

7 **Property services division, county departments - Responsibilities and powers in**
8 **declaring county real property surplus.** A. The property services division shall no later
9 than the end of the first quarter of the calendar year, maintain and update a current inventory
10 of all county titled real property with detailed information as to current departmental
11 custodianship and as to the characteristics that determine its economic value and potential
12 uses; provided, that all county roads shall be excluded from the provision of this section.

13 B. No later than June 30th of each calendar year, each department shall submit a
14 report to the property services division on the status of all real property for which the
15 department is the custodian and include in the report any change in use or status since the
16 previous year's report.

17 C. County departments shall be required, no later than June 30th of every third
18 calendar year beginning with 1996, to justify departmental retention of all real property for
19 which the department is the custodian to the property services division.

20 1. If in the judgment of the property services division, a county department cannot
21 justify the retention of real property for which it is the custodian or if a department
22 determines that real property is surplus to its needs, the property services division shall
23 determine whether any other department has a need for the parcel.

24 2. If another department can demonstrate a need for said real property,
25 custodianship of such real property shall be transferred to that department without any
26 financial transaction between present and future custodial organizations, except as required
27 by RCW 43.09.210, as amended, or under grants.

28 3. If no other department can demonstrate a need for such real property, said real
29 property shall be declared surplus to the future foreseeable needs of the county and may be
30 disposed of as set forth in this chapter.

1 D. The property services division shall review and make recommendations to the
2 executive for uses other than the sale of surplus real property prior to a decision by the
3 executive to dispose of such properties through sale. Other possible uses that shall be
4 considered by the division in accordance with the provisions of this chapter, are:

- 5 1. Exchanges for other privately or publicly owned lands that meet the county's
6 land needs;
- 7 2. Lease with necessary restrictive covenants;
- 8 3. Use by other governmental agencies;
- 9 4. Retention by the county if the parcel is classified as floodplain or slide hazard
10 property; and
- 11 5. Use by nonprofit organizations for public purposes.

12 NEW SECTION. SECTION 6. There is added to K.C.C. 4.56 a new section to read
13 as follows:

14 **Financial investment properties.** A. The property services division shall determine
15 which properties within the inventory of county-owned properties are defined by this
16 section. These properties are currently not needed for county use but are held to provide a
17 financial return to the county. It is the ultimate objective of the county to dispose of this
18 type of property. Disposal should not occur until optimal market conditions exist for
19 maximizing financial return to the county.

20 B. All properties within this category shall have an initial value established by an
21 appraisal or, in lieu of this appraisal, a value shall be established by the property services
22 division.

23 C. Except as provided in paragraph E of Section 6 of this ordinance, all properties
24 with values of less than \$500,000 shall be revalued by the property services division every
25 three years from when the initial value was established until the property is disposed of. If a
26 property increases in value to more than \$500,000 it is subject to the provisions in paragraph
27 D of Section 6 of this ordinance.

28 D. All properties with values of greater than \$500,000 shall be valued by an
29 independent appraiser. Except as provided in paragraph E of Section 6 of this ordinance,

1 these properties shall be revalued every three years from when the initial value was
2 established.

3 E. When existing leases provide for rental adjustments at greater than three year
4 intervals, the revaluations required by paragraphs C and D of Section 6 of this ordinance
5 shall be performed no more than one year prior to the scheduled rental adjustment.

6 F. All appraisals shall address the following factors:

- 7 1. current market conditions and trends which affect the value of the property;
- 8 2. potential market conditions;
- 9 3. value of any improvements on the property;
- 10 4. impact on property value of temporary and permanent encumbrances upon the
11 property such as leases, easements and any other arrangement which encumbers any portion
12 of the property; and
- 13 5. any other factors which, in the professional judgment of the appraiser, affect the
14 value of the property.

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

20 H. Properties in this category shall be disposed of through a public auction process or
21 through listing with a real estate listing service. In no case shall a property be sold for less
22 than its appraised value. This value shall be established by an independent appraisal which
23 has been completed within six months of the sale of this property.

24 I. In order to ensure that properties in this category that are retained by the county
25 provide the optimal return, all lease renewals and extensions shall be authorized by
26 ordinance.

27 NEW SECTION. SECTION 7. There is added to K.C.C. 4.56 a new section to read
28 as follows:

29 **Sale of surplus real property - Council approval required.** The approval of the
30 council by motion is required prior to the executive disposing of county-titled real property

1 through sale, such sale being recommended as a result of real property having been declared
2 as surplus in compliance with the provisions of this chapter; provided that property with an
3 apparent value of less than ten thousand dollars shall be excluded from the provisions of this
4 section.

5 NEW SECTION. SECTION 8. There is added to K.C.C. 4.56 a new section to read
6 as follows:

7 **Notice of Sale.** Except as provided in paragraphs A.1 through A.6 of Section 10 of
8 this ordinance, when the county elects to sell property, the county shall advertise to the
9 extent which the county deems necessary to effect an advantageous sale. Such advertising
10 for real or personal property with a value in excess of one thousand dollars shall include
11 publishing a notice in a legal newspaper at least once a week for two consecutive weeks, the
12 last notice to appear no more than five days prior to the date of the auction or bid opening.
13 An advertisement of sale of county property must particularly describe the property to be
14 sold and designate the day, hour, and place of sale. When real property is to be sold, the
15 advertisement of sale must contain both the street address, if available, and the legal
16 description of the part and parcel. If real property is offered for sale on other than a cash
17 basis, the terms must be stated in the advertisement.

18 NEW SECTION. SECTION 9. There is added to K.C.C. 4.56 a new section to read
19 as follows:

20 **Emergency Waiver of Advertisement.** A. In the event of an emergency when the
21 public interest or property of the county would suffer material injury or damage by delay,
22 upon declaring the existence of such emergency and reciting the facts constituting the same
23 the executive may waive the requirements of Section 8 of this ordinance with reference to
24 any sale provided, that such exemption shall only apply to property having a value of less
25 than fifty thousand dollars. The executive shall report, in detail, such emergency sale to the
26 council within thirty days of declaring an emergency.

27 B. Should an emergency require the sale of property in excess of fifty thousand
28 dollars, any such sale shall be approved by motion of the council, accompanied, if necessary,
29 by ordinance declaring an emergency, following the executive's recommendation. The
30 executive's recommendation shall include such statements as are necessary to fully explain

1 the emergency. All sales of property involving an emergency circumstance shall be
2 approved by the county executive.

3 NEW SECTION. SECTION 10. There is added to K.C.C. 4.56 a new section to read
4 as follows:

5 **Sale of property - Public auction or Sealed Bid.** A. All sales of real and personal
6 property shall be made to the highest responsible bidder at public auction or by sealed bid
7 except when:

- 8 1. County property is sold to a governmental agency;
- 9 2. The county executive has determined an emergency to exist; or the county
10 council, by ordinance, has determined that unique circumstances make a negotiated direct
11 sale in the best interests of the public;
- 12 3. County real property is traded for real property of similar value, or when county
13 personal property is traded for personal property of similar value;
- 14 4. The property services division has determined that the county will receive a
15 greater return on real property when it is listed and sold through a residential or commercial
16 real estate listing service;
- 17 5. County personal property is traded in on the purchase of another article; and
- 18 6. Property has been obtained by the county through the proceeds of grants or
19 other special purpose funding from the federal or state government, wherein a specific
20 public purpose(s) is set forth as a condition of use for such property, said purpose(s) to be
21 limited to the provision of social and health services or social and health services facilities as
22 defined in Washington Statute RCW Chapter 43.83D, and it is deemed to be in the best
23 interest of the county, in each instance, upon recommendation by the county executive and
24 approval by the county council, that in order to fulfill said condition of use, the county may
25 sell or otherwise convey the property in some other manner consistent with the condition of
26 use; provided, that in the event such property is conveyed pursuant to the provisions of this
27 subdivision, the conveyee(s) shall be limited to private, nonprofit, corporations duly
28 organized according to the laws of the state of Washington, which nonprofit corporations are
29 exempt from taxation under USC § 501(c) as amended, and which nonprofit corporations

1 are organized for the purpose of operating social and health service facilities as defined by
2 Washington Statute RCW Chapter 43.83D.

3 B. The county may, if it deems such action to be for the best public interest, reject any
4 and all bids, either written or oral, and withdraw the property from sale. The county may
5 then renegotiate the sale of withdrawn property, providing the negotiated price is higher than
6 the highest rejected bid.

7 C. Whenever the procedures of a grant agency having an interest in real or personal
8 property requires disposition in a manner different from the procedures set forth in this
9 chapter, the property shall be disposed of in accordance with the procedures required by this
10 chapter unless the grant agency specifically requires otherwise.

11 NEW SECTION. SECTION 11. There is added to K.C.C. 4.56 a new section to read
12 as follows:

13 **Temporary and permanent easements on county property.** A. The executive is
14 authorized to execute utility easements, bills of sale or related documents necessary for the
15 installation, operation and maintenance of utilities to county property, provided that the
16 documents are reviewed and approved by the custodial department or agency and the
17 property services division. Temporary and permanent easements for utility purposes other
18 than service to county property may be granted by the executive if such easements will not
19 interfere with or hinder the use of the property by the custodial department or agency;
20 provided that such utility easements that exceed \$30,000 in value shall be subject to prior
21 approval by the council. Any other permanent easements granted by the county shall be
22 subject to prior approval by the council.

23 B. The executive is authorized to relinquish any easements granted to the county
24 which are determined to be surplus to the county's foreseeable needs or to trade an easement
25 for real property or easements of a similar nature and value, provided that relinquishments of
26 easements where the county spent more than \$30,000 in their acquisition shall be subject to
27 prior approval by the council.

28 NEW SECTION. SECTION 12. There is added to K.C.C. 4.56 a new section to read
29 as follows:

1 **Disposition of sale proceeds.** A. The county organizations responsible for
2 conducting sales shall be reimbursed for advertising, postage and selling fees, if any, from
3 the proceeds of the sale. The director of finance is authorized to establish such funds and
4 accounts necessary to deposit sale proceeds until final disposition. The balance of the
5 proceeds shall be deposited into the proper county fund or account, as directed by the
6 property services division or the county council.

7 B. In no case shall the title be transferred until the purchase price has been fully paid.

8 NEW SECTION. SECTION 13. There is added to K.C.C. 4.56 a new section to read
9 as follows:

10 **Intergovernmental sales and leases.** A. The county may dispose of or lease county
11 property to another governmental agency and may acquire property for the county from
12 another governmental agency by negotiation, upon such terms as may be agreed upon and
13 for such consideration as may be deemed by the county to be adequate.

14 B. Prior to intergovernmental disposal of property with an estimated value greater than
15 the amount set forth in RCW 39.33.020, as amended, public notice and hearing shall be
16 provided in accordance with said statute.

17 NEW SECTION. SECTION 14. There is added to K.C.C. 4.56 a new section to read
18 as follows:

19 **Authority to lease or rent county real property.** A. If it appears that it is for the
20 best interests of the county and the people thereof, the county may lease any county real
21 property and its appurtenances for a year or a term of years under the limitations and
22 restrictions and in the manner provided in this chapter.

23 B. The county may lease such county real property and its appurtenances whether
24 such property was acquired by tax deed under foreclosure proceedings for nonpayment of
25 taxes or whether held or acquired in any other manner.

26 C. Any lease executed under the authority of the provisions of this section creates a
27 vested interest and a contract binding upon the county and the lessee.

28 D. The county may enter into rental agreements for a term less than one year,
29 including month-to-month rental agreements, on terms and conditions that are in the best
30 interest of the county. All such rental agreements are subject to approval by the executive

1 based on recommendations of the property services division. Rental agreements for a term
2 less than one year are exempt from the appraisal and notice requirements pertaining to leases
3 for a year or more; provided, that the property services division shall maintain a file of
4 appropriate correspondence or such information which leads to a recommendation by the
5 division to the county executive to enter into such an agreement, such information shall be
6 available for public inspection at the property services division for one year after termination
7 of such tenancies.

8 E. The county may, in the best interests of the county, enter into agreements for the
9 use of county property with bona fide, nonprofit organizations, with another governmental
10 agency when the property is to be used for a medical training and research facility connected
11 with a county hospital, or with community groups wherein the nonprofit organization,
12 governmental agency or community group is either to make improvements to the county
13 property and/or provide services which will benefit the public. Such agreements will be
14 exempt from the requirements of fair market value, appraisal, and notice. Such agreements
15 are subject to the approval of the executive, based upon recommendation of the property
16 services division and the department having custodianship of the property subject to the
17 agreement, provided that the property services division shall maintain a file of appropriate
18 correspondence or such information which leads to a recommendation by the division to the
19 county executive to enter into such an agreement, such information shall be available for
20 public inspection at the property services division for one year after termination of such
21 tenancies.

22 F. For rental or lease agreements, including concession agreements, on county parks
23 or open space properties, the parks and cultural resources department shall have the
24 authorities and responsibilities specified in paragraphs D and E of Section 14 of this
25 ordinance for the property services division.

26 NEW SECTION. SECTION 15. There is added to K.C.C. 4.56 a new section to read
27 as follows:

28 **Manner of awarding lease or rental agreement.** A. Except as provided in
29 paragraphs D and E of Section 14 of this ordinance, and paragraph D of Section 15 of this
30 ordinance, fair market rental value, as defined in K.C.C. 4.56.010, shall be the basis for all

1 leases of county real property. All leases will be awarded upon the best terms and
2 conditions available to the county.

3 B. Except as provided in paragraph D of Section 15 of this ordinance, when the county
4 authorizes a new lease, or the renewal of a lease once executed and delivered, the property
5 services division shall make an appraisal of the fair market rental value of such property, and
6 such fair market rental value will serve as the basis for the new lease or renewal. After said
7 review, the manager of the property services division shall determine whether the new lease,
8 or renewal of an existing lease is to be awarded by competitive bidding or by negotiation
9 with interested parties without bidding. New leases shall be awarded by competitive
10 bidding unless the manager of the property services division determines it is advantageous to
11 the county to negotiate without bidding. In the event the county negotiates the award of
12 lease contracts, the property services division shall submit to the executive the reasons for
13 recommending award through negotiation rather than competitive bidding. At the option of
14 the executive, competitive bidding may be required. The county shall give notice of its
15 intention to execute a lease by publishing a notice in a legal newspaper at least once a week
16 for the term of two weeks. The notice so published shall adequately describe the property to
17 be leased, and shall contain a notice that a copy of the lease is available for public inspection
18 at the property services division. Such notice requirement shall not apply to leases or
19 renewals awarded through competitive bidding, or pursuant to the provisions of paragraph D
20 of Section 15 of this ordinance. Every new lease, or extension, modification or renewal of a
21 lease once executed and delivered, shall be signed or caused to be signed, by the county
22 executive, in accordance with Section 320.20 of the King County Home Rule Charter,
23 following analysis and recommendations of the manager of the property services division
24 and the county department having custodianship of the property. After awarding of the new
25 lease, modification, extension or renewal, a copy of the instrument, as executed and
26 delivered shall be available for public inspection at the property services division.

27 C. When the county elects to lease its property pursuant to public bidding, the county
28 shall advertise to the extent which the county deems necessary to effect an advantageous
29 lease. Such advertising shall include publishing a notice in a legal newspaper at least once a
30 week for three consecutive weeks, the last notice to appear no more than five days prior to

1 the date of the auction or bid opening. When a lease of county real property is awarded
2 through competitive bidding, the lease shall be awarded to the highest responsible bidder;
3 provided, that whenever there is reason to believe that the highest acceptable bid is not the
4 best rental obtainable, all bids may be rejected and the county may call for new bids or enter
5 into direct negotiations to achieve the best possible rental. Each bid, with the name of the
6 bidder, shall be recorded by the property services division, and each record, with the name
7 and address of the successful bidder and the amount of the successful bid, shall, after the
8 awarding of the lease, be open to public inspection at the property services division. In
9 determining the highest responsible bidder, in addition to rental, the following elements
10 shall be given consideration:

- 11 1. The financial responsibility of the bidder, and references therefor;
- 12 2. The previous and existing compliance by the bidder with the terms of other
13 leases of county real property and the laws relating thereto;
- 14 3. Such other information as may be secured relevant to the decision to award the
15 lease.

16 D. If property was obtained by the county through the proceeds of grants or other
17 special purpose funding from either or both the federal and state government, wherein a
18 specific public purpose(s) is set forth as a condition of use for such property, the purpose(s)
19 to be limited to the provision of social and health services or social and health services
20 facilities as defined in RCW Chapter 43.83D and upon recommendation by the county
21 executive and approval by the county council, the property services division may obtain and
22 lease out the property pursuant to such terms and conditions as are consistent with said
23 purposes; provided, that in the event such property is leased pursuant to the provisions of
24 this subsection, the lessee(s) shall be limited to private, nonprofit corporations duly
25 organized according to the laws of the state of Washington which nonprofit corporations are
26 exempt from taxation under 26 U.S.C. Section 501(b) as amended and which nonprofit
27 corporations are organized for the purpose of operating social and health services facilities
28 as defined by RCW 43.83D.

29 NEW SECTION. SECTION 16. There is added to K.C.C. 4.56 a new section to read
30 as follows:

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Applications for lease. A. Applications to lease county real property shall be submitted to the property services division of the department of construction and facility management.

B. The right is reserved by the county to require that a deposit of a reasonable amount accompany all applications or bids to lease county real property. If a deposit is required, all deposits upon the same lease shall be of equal amount. The deposit shall be in the form of a certified check or cashier's check, or may be paid in cash. In case the lands applied for are leased at the time of application, the deposit shall be returned to the applicant; but if the party making application fails or refuses to comply with the terms of his/her application and to execute the lease, the deposit shall be forfeited to the county, and deposited in the current expense fund.

NEW SECTION. SECTION 17. There is added to K.C.C. 4.56 a new section to read as follows:

Lease terms. A. The county may lease real property for a term of years and upon such terms and conditions as may be deemed in the best interests of the public and the county. No lease shall be for a longer term in any one instance than ten years; provided that when the county determines it to be in the best public interest, real property necessary to the support or expansion of an adjacent facility may be leased to the lessee of the adjacent facility for a term to expire simultaneously with the term of the lease of the adjacent facility, but not to exceed thirty-five years, provided, further, that when the county determines it to be in the best public interest, where the property to be leased is improved or is to be improved, and the value of the improvement is or will be at least equal to the value of the property to be leased, the county may lease such property for a term not to exceed thirty-five years; provided, further, that where the property to be leased is to be used for public recreation and police training purposes, for a hospital or a medical training and research facility, or for major airport, industrial, office or other commercial purposes, requiring extensive improvements, the county may lease such property for a term equal to the estimated useful life of the improvements, but not to exceed fifty years; provided further, that leases entered into pursuant to the provisions of paragraph D of Section 15 of this ordinance may extend for the

1 period of years necessary to amortize the special purpose funds, not to exceed twenty-five
2 years.

3 B. The lessee shall not improve or alter the leased property in any manner without the
4 prior written consent of the county, but shall, before making improvements or alterations,
5 submit plans and designs therefor to the county for approval. In the event that the plans and
6 designs are disapproved, such improvements or alterations shall be made only with such
7 changes as may be required by the county. Unless otherwise stipulated, all improvements or
8 alterations erected or made on the leased property shall, on expiration or sooner termination
9 of the lease, belong to the county without compensation to lessee; provided, however, that the
10 county shall have the option, to be exercised on expiration or sooner termination of this lease,
11 to require the lessee to remove any or all such improvements or alterations. If the lessee fails
12 substantially to make the improvements or alterations required of him by the lease, the lease
13 shall be terminated and all rentals paid shall be forfeited to the county.

14 C. Any lease made for a longer period than five years shall contain provisions
15 requiring the lessee to permit the rentals to be adjusted and fixed by the county every five
16 years; provided that any lease may provide for more frequent readjustments. When the lease
17 permits the county to adjust the rent, the county will give the lessee written notice of the
18 adjusted rent, in accordance with the terms of the lease. The rent as adjusted shall take effect
19 thirty days after the date of the notice. Unless the lessee, within thirty days following the
20 receipt of the notice from the county, gives the county written notice of his/her rejection of
21 the adjusted rent, the rent as adjusted by the county will be the rent for the appropriate period.
22 If the lessee and the county cannot agree upon the rental readjustment, the rent for the period
23 will be adjusted by arbitration. The lessee and the county will select one disinterested
24 arbitrator each, and the two selected arbitrators will select a third. If the two arbitrators have
25 not selected a third arbitrator within thirty days after the selection of the last selected of the
26 two, either the lessee or the county will apply to the presiding judge of the Superior Court in
27 King County for the appointment of a third arbitrator. Each arbitrator will be a member of
28 the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, or
29 other appraisal society or association having equivalent ethical and professional standards. If,
30 in the future, a licensing requirement for real estate appraisers is imposed by any legislative

1 body, each arbitrator will also be so licensed. The three arbitrators will determine a fair rent
2 for the premises based upon the fair market rental value of the property, as defined in
3 K.C.C. 4.56.010. The decision of a majority of the arbitrators will bind both the lessee and
4 the county. At the conclusion of the arbitration, the arbitrators will submit written reports to
5 the lessee and the county. The cost of the arbitration will be divided equally between the
6 lessee and the county.

7 D. Except as provided in paragraph D of Section 15 of this ordinance, the rent of all
8 leases of county real property shall be based upon fair market rental value, as defined in
9 K.C.C. 4.56.010.

10 E. No lease shall be assigned or subleased without the assignment or sublease being
11 first authorized by the county in writing. All leases, when drawn, shall contain this provision.

12 F. Notwithstanding the other provisions of this chapter, following such procedures as
13 may be determined appropriate by the council, the executive may enter into long-term master
14 leases of county property under which developers would develop such property into office
15 and other space required or approved by the county, would lease certain of such space back to
16 the county and may lease space unneeded by the county to private or public entities for
17 private or public uses as approved by the county council, and would convey all leasehold
18 improvements to the county at the expiration or termination of such master leases. Each such
19 master lease shall be subject to approval by the council.

20 NEW SECTION. SECTION 18. There is added to K.C.C. 4.56 a new section to read
21 as follows:

22 **Acquisition of real property.** In acquiring real property or interests in real property,
23 county departments and agencies shall comply with requirements as may be established
24 from time to time by the council and with state and federal laws and regulations as they may
25 apply. The provisions of chapter 8.26 RCW related to acquisition and relocation assistance
26 shall apply to such acquisitions unless for a project or program the council determines
27 otherwise by ordinance.

28 NEW SECTION. SECTION 19. There is added to K.C.C. 4.56 a new section to read
29 as follows:

1 **Leasing real property for use by the county.** The executive is authorized to lease
2 real property for use by the county consistent with the applicable provisions of the King
3 County Charter and K.C.C. 4.04 and as may be authorized within appropriations approved
4 by the council. In leasing real property for use by the county, the executive shall assess the
5 needs of county departments and agencies and determine which real property best
6 accommodates such needs.

7 NEW SECTION. SECTION 20. There is added to K.C.C. 4.56 a new section to read
8 as follows:

9 **Accountability for county personal property.** County employees shall be held
10 accountable and responsible for all of the various personal property assigned to them
11 during the course of their employment with the county.

12 A. Written documentation, by employee, of all changes in assigned capitalized
13 items from the department or agency inventory reports will be recorded at the time of the
14 occurrence and kept in each county department or agency.

15 B. The property services division shall provide a report of losses to the county
16 council, deputy county executive and risk management division.

17 C. The property services division shall recommend to the department or agency
18 director or manager corrective action for all capitalized items lost or misplaced due to
19 employee negligence or misconduct.

20 D. If the director or manager determines an employee to be negligent in his/her care
21 of the property assigned to him/her or if a terminated employee fails to return personal
22 property assigned to him/her, then the county may pursue any remedy available at law for
23 recovery of loss of property. If a career service employee is disciplined, that employee has
24 the right to the full protection of the county disciplinary-grievance process as established
25 by applicable union bargaining agreements and the county code provisions and
26 administrative guidelines for the career service.

27 NEW SECTION. SECTION 21. There is added to K.C.C. 4.56 a new section to read
28 as follows:

29 **Inventory documentation and surplus sales procedures.** The property services
30 division shall keep documentation of the county personal property inventory.

1 A. The property services division shall review the department and agency inventory
2 reports and investigate any large or unusual lost, stolen or unlocatable inventory amounts.
3 The division shall compare current year amounts with previous years and to what is
4 currently on hand. "Large" shall mean any dollar amount equal to, or in excess of, the
5 current capitalization rate.

6 B. The personal property inventory shall include all items with a capitalization rate
7 of \$1,000. All weapons shall continue to be capitalized.

8 C. One employee in each department or agency shall be designated as the
9 department's or agency's inventory contact. Property disposal in any department or
10 agency shall be initiated by the inventory contact and approved by the department director
11 or agency head. Documentation shall require the signatures of both the inventory contact
12 and the department director or agency head, as applicable, on the disposition forms sent to
13 the property services division. No transactions will be valid without both signatures.

14 D. The employees in the personal property branch of the property services division
15 and members of their immediate families shall be prevented from purchasing or otherwise
16 participating in the purchase of surplus personal property.

17 E. At each sale a bidder sign-up sheet shall be posted to indicate whether the bidder
18 is employed by the county, and, if so, in which department or agency, or whether any
19 member of their immediate family is employed by the county and, if so, in which
20 department or agency.

21 F. The property services division will maintain comprehensive documentation of all
22 property sales, including those items specified in RCW 36.32.210, as amended, and will
23 document each deletion or change that is made to the final property sale listing.

24 SECTION 22. Rename K.C.C. 4.56. The clerk of the council shall rename Chapter
25 4.56 of the King County Code to "Real and Personal Property".

26 NEW SECTION. SECTION 23. There is added to K.C.C. 4.04 a new section to read
27 as follows:

28 **Preparation and administration of budget. A. PREPARATION AND**
29 **DISTRIBUTION.** The council and executive shall execute the responsibilities outlined

1 below in order to accomplish the preparation and distribution of the budget and budget
2 document.

3 1. Role of the executive.

4 a. Submission of agency requests. At least one hundred thirty-five days prior
5 to the end of the fiscal year, all agencies shall submit to the executive information necessary
6 to prepare the budget.

7 b. Executive budget hearings. Prior to presentation to the council, the
8 executive may provide for hearings on all agency requests for expenditures and revenues to
9 enable him/her to make determinations as to the need, value or usefulness of activities or
10 programs requested by agencies. The executive may require the attendance of proper agency
11 officials at such hearings, and it shall be their duty to disclose such information as may be
12 required to enable the executive to arrive at final determinations.

13 c. Submission of executive budget. The executive shall prepare and present an
14 annual budget and budget message to the council no later than seventy-five days prior to the
15 end of the fiscal year. Copies of the budget and budget message shall be delivered to the
16 clerk and each councilmember.

17 d. Submission of proposed appropriation ordinance. The executive shall
18 prepare and present a proposed appropriation ordinance not later than seventy-five days prior
19 to end of the fiscal year. The proposed appropriation ordinance shall specify by fund,
20 program, project and/or agency the expenditures levels for the ensuing budget year.

21 e. Availability to the public. Prior to the public hearing on the budget, the
22 budget message and supporting tables shall be furnished to any interested person upon
23 request, and copies of the budget shall be furnished for a reasonable fee as established by
24 ordinance and shall be available for public inspection.

25 f. Additional information to be submitted to the council. Seven days prior to
26 the presentation of the annual budget and budget message to the council, the chief budget and
27 strategic planning officer shall submit to the council copies of all agency and departmental
28 budget requests, and departmental and divisional work programs.

29 2. Role of the council.

1 a. Review of the executive budget. The council shall review the proposed
2 appropriation ordinance and shall make any changes or additions it deems necessary except
3 the council shall not change the form of the proposed appropriation ordinance submitted by
4 the executive.

5 b. Legislative budget hearings. The council shall then announce and
6 subsequently hold a public hearing or hearings as it deems necessary.

7 c. Appropriation. Upon completion of the budget hearings, the council shall
8 by ordinance adopt an appropriation granting authority to make expenditures and to incur
9 obligations, and the council may attach an accompanying statement specifying legislative
10 intent.

11 3. Printing and distribution of the budget. The chief budget and strategic planning
12 officer shall be responsible for the printing and distribution of the executive proposed budget
13 and final adopted budget.

14 B. ADMINISTRATION OF THE BUDGET.

15 1. Allotment and Work Program.

16 a. Establishment of allotments. Within thirty days after adoption of the
17 appropriation ordinance, all agencies shall submit to the executive a statement of proposed
18 expenditures at such times and in such form as may be required by the executive, provided
19 that the council is not required to submit an allotment. The statement of proposed
20 expenditures shall include requested allotments of appropriations for the ensuing fiscal period
21 for the department or agency concerned by either program, project, object of expenditure or
22 combination thereof and for such periods as may be specified by the executive. The
23 executive shall review the requested allotments in light of the department's or agency's plan
24 of work, and may revise or alter requested allotments. The aggregate of the allotments for
25 any department or agency shall not exceed the total of appropriations available to the
26 department or agency concerned for the fiscal period.

27 b. Revision of allotments. If at any time during the fiscal period the executive
28 ascertains that available revenues for the applicable period will be less than the respective
29 appropriations, the executive shall revise the allotments of departments or agencies funded
30 from such revenue sources to prevent the making of expenditures in excess of revenues. To

1 the same end, the executive is authorized to assign to, and to remove from, a reserve status
2 any portion of a department or agency appropriation which in the executive's discretion is not
3 needed for the allotment. No expenditure shall be made from any portion of an appropriation
4 which has been assigned to a reserve status except as provided in this section.

5 2. Review of Pay and Classification Plans. The executive shall periodically
6 review any pay and classification plans, and changes thereunder, for fiscal impact, and shall
7 recommend to the council any changes to such plans; provided, that none of the provisions of
8 this subsection shall affect merit systems of personnel management now existing or hereafter
9 established by ordinance relating to the fixing of qualification requirements for recruitment,
10 appointment, promotion or reclassification of employees of any agency.

11 3. Transfer of Appropriations between Agencies. During the last quarter of the
12 fiscal year, the council when requested by the executive may adopt an ordinance to transfer
13 appropriations between agencies; but a capital project shall not be abandoned thereby unless
14 its abandonment is recommended by the department or agency responsible for planning.

15 4. Lapsing of Appropriation.

16 a. Unless otherwise provided by the appropriation ordinances and as set forth
17 herein, all unexpended and unencumbered appropriations in the current expense
18 appropriation ordinances shall lapse at the end of the fiscal year. As used in this subsection,
19 "current expense appropriations" include all non-capital budget appropriations.

20 b. A portion of any such appropriations may be carried forward into the
21 subsequent fiscal year as part of a savings incentive program administered by the chief
22 budget and strategic planning officer and calculated as follows:

23 (1) The amount to be carried forward shall be one-half of the unexpended
24 and unencumbered current expense appropriations which exceed underexpenditure
25 requirements established for the year by the chief budget and strategic planning officer, and
26 exceed any loss of grant, contract or similar revenues, which are dedicated to fund the
27 activities supported by the applicable appropriations. These amounts must result from
28 efficiencies and other management measures; and

1 (2) The calculated amount shall exclude appropriations requested in the
2 subsequent fiscal year to pay for goods or services planned to be purchased during the current
3 fiscal year, but neither delivered nor paid for during the current fiscal year;

4 c. Amounts carried forward as set forth in this subsection shall be expended to
5 improve productivity and service quality. Authorized uses include, but are not limited to, the
6 acquisition of equipment, testing new service delivery systems and training, so long as such
7 uses do not create recurring, annual obligations beyond minor equipment maintenance costs
8 and are consistent with any applicable county automation standards and plans;

9 d. By May 1 of each year, the executive shall submit to the council a report
10 describing the amount of savings each agency has carried forward from the prior fiscal year.

11 e. An appropriation in the capital budget appropriations authorization shall be
12 canceled at the end of the fiscal year, unless the executive submits to the council the report of
13 the final year end reconciliation of expenditures for all capital projects on or before March 1st
14 of the year following the year of the appropriation, and each year thereafter in which the
15 appropriation remains open.

16 5. When Contracts and Expenditures Prohibited.

17 a. Except as provided in paragraph B.6 of this section, no agency shall expend
18 or contract to expend any money or incur any liability in excess of the amounts
19 appropriated. Any contract made in violation of this section shall be null and void; any
20 officer, agent or employee of the county knowingly responsible under such a contract shall
21 be personally liable to anyone damaged by this action. The council when requested to do so
22 by the executive may adopt an ordinance permitting the county to enter into contracts
23 requiring the payment of funds from appropriations of subsequent fiscal years, except that
24 the executive may enter into grant contracts, as provided by paragraph B.6 of this section.

25 b. The term of a lease or agreement for real or personal property shall not
26 extend beyond the end of a calendar year unless:

27 (1) Funding for the entire term of that lease or agreement is included in a
28 capital appropriation ordinance; or

29 (2) Such lease or agreement includes a cancellation clause under which the
30 lease or agreement may be unilaterally terminated for convenience by the county and costs

1 associated with such termination for convenience, if any, shall not exceed the appropriation
2 for the year in which termination is effected; or

3 (3) Such lease or agreement is authorized by ordinance for such periods
4 and under such terms as the county council shall deem appropriate.

5 c. Real property shall not be leased to the county for more than one year unless
6 it is included in a capital appropriation ordinance.

7 d. Nothing in this section shall prevent the making of contracts or the spending
8 of money for capital improvements, nor the making of contracts of lease or for service for a
9 period exceeding the fiscal period in which such contract is made, when such contract is
10 permitted by law.

11 6. Grant contracts. The executive may enter into contracts to implement grants
12 awarded to the county prior to the appropriation of grant funds, including appropriations that
13 must be made in future years, if the council has received prior notice of the grant application
14 and if either of the following conditions are met: all of the funds to be appropriated under the
15 contract will be from the granting agency; or all financial obligations of the county under the
16 contract are subject to appropriation.

17 SECTION 24. Effective date. This ordinance shall take effect on January 1, 1996.

18 SECTION 25. Severability. The provisions of this ordinance shall be effective in
19 all cases unless otherwise provided by federal law. The provisions of this ordinance are
20 separate and severable. The invalidity of any clause, sentence, paragraph, subdivision,
21 section or other portion of this ordinance or the invalidity of the application thereof to any
22 person or circumstance shall not affect the validity of the remainder of this ordinance or the
23 validity of the application to other persons or circumstances.

