

**Title 4**  
**REVENUE AND FINANCIAL REGULATION**

**UPDATED: January 1, 2019**

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**Cross References:**

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**Open space taxation current use assessment - See K.C.C. chapter 20.36.**

**4.04 BUDGETING AND REPORTING SYSTEM**

**Sections:**

**II. BUDGETING SYSTEM**

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**II. BUDGETING SYSTEM**

**4.04.020 Definitions.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

A. "Acquisition phase" means the time during which activities associated with acquisition or surplus and sale of real property, property rights or the acquisition of improvements through direct purchase or capitalized lease agreements occur.

B. "Adopted" means approval by council motion or ordinance.

C. "Agency" means a county office, officer, institution whether educational, correctional or other, department, division, board commission, except as otherwise provided in this chapter.

D. "Allocation" means a part of a lump sum appropriation that is designated for expenditure by either a specific organization unit or for specific purposes, or both.

E. "Allotment" means a part of an appropriation that may be encumbered or expended during an allotment period.

F. "Allotment period" means a period of less than a fiscal year in length during which an allotment is effective.

G. "Allotment plan" means a fiscal management plan that divides a county agency's program element budget into quarterly increments, reflecting the cyclical or seasonal

pattern of expenditures, for the purpose of identifying over and under expenditures throughout the year.

H. "Appropriations" means an authorization granted by the council to make expenditures and to incur obligations for specific purposes.

I. "Appropriation ordinance" means the ordinance that establishes the legal level of appropriation for a fiscal year.

J. "Art" means funds budgeted for the one percent for art program under K.C.C. chapter 4.40 or as otherwise provided by ordinance for a public art program.

K. "Budget" means a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures.

L. "Budget detail plan" means the council's proposed spending plan for the operational budgets of all agencies detailed at the section level and attached to the adopted appropriation ordinance or as modified by the most-recent supplemental appropriation ordinance.

M. "Budget document" means a formal, written, comprehensive financial program presented by the executive to the council, including an electronic database with revenues and expenditures for all county agencies at the lowest organization levels and all summary levels provided in the general ledger system, balanced to the financial plans and the appropriation ordinance, fee ordinances, motions related to proposed levy rates to comply with chapter 36.40 RCW and cost-of-living adjustment ordinance proposed by the executive.

N. "Budget message" means a formal oral presentation by the executive to the council that explains the budget in terms of goals to be accomplished and how the budget relates to the Comprehensive Plan.

O. "Capital improvement plan" means a plan that establishes the capital improvements required to implement an approved operational master plan. This plan should extend over a minimum period of six years to define long-range capital improvement requirements and the annual capital improvements budget for a user agency.

1. The capital improvement plan shall include the following elements, where applicable:

a. general program requirements that define the development scope for specific sites or facilities;

b. general space and construction standards;

c. prototype floor plans and prototype facility designs for standard improvements;

d. space requirements based on the adopted county space plan;

e. initial, and life-cycle cost, of alternative facilities and locations including lease and lease/purchase approaches;

f. approximate location of planned capital improvements;

g. general scope and estimated cost of infrastructure;

h. a schedule, that extends over a minimum of six years, for the implementation of projects included in capital improvement plans, based on overall user agency priorities and projected available revenue;

2. The user agency shall prepare the elements of the plan in subsection O.1. a, d, f and h of this section. The implementing agency shall prepare the elements of this plan in subsection O.1. b, c, e and g of this section.

3. The six-year budget schedule included in the capital improvement plan shall be updated annually in conjunction with the capital budget adoption process.

P. "Capital project" means a project with a scope that includes one or more of the following elements, all related to a capital asset: acquisition of either a site or existing structure, or both; program or site master planning; design and environmental analysis; construction; major equipment acquisition; reconstruction; demolition; or major alteration. "Capital project" includes a: project program plan; scope; budget by phase; and schedule.

The project budget and phases of a project shall be prepared or managed by the implementing agency.

Q. "CIP" means capital improvement program.

R. "CIP exceptions notification" means, except for major maintenance reserve fund, roads, solid waste, surface water management and wastewater CIP projects, a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, which describes changes to an adopted CIP project's scope or schedule, or both, or total project cost and, with the exception of schedule changes, shall be sent in advance of any action. For major maintenance reserve fund CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, that describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For road CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the transportation committee, or its successor committee, that describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For wastewater, solid waste and surface water management CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, and to the chair of the utilities committee, or its successor committee, which describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action.

S. "Close-out phase" means the time during which the administrative processes and associated accounting activities to close out all contracts occurs. The close-out phase follows final acceptance and may include multiyear monitoring.

T. "Council" means the metropolitan King County council.

U. "Deficit" means the excess of expenditures over revenues during an accounting period, or an accumulation of such excesses over a period of years.

V. "Director" means the director of the office of performance, strategy and budget.

W. "Executive" means the King County executive, as defined by Article 3 of the King County Charter.

X. "Expenditures" means, where the accounts are kept on the accrual basis or the modified accrual basis, the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, "expenditures" means actual cash disbursements for these purposes.

Y. "Final design phase" means the time during which design is completed, permits and other permissions are secured so that the project, or staged elements of the project consistent with the project management plan, can proceed to implementation. Final design phase also includes development of a final cost estimate, plans, specifications and a bid package.

Z. "Financial plan" means a summary by fund of planned revenues and expenditures, reserves and undesignated fund balance.

AA. "Fiscal period" means a calendar year or a biennium.

BB. "Fund" an independent fiscal and accounting entity with a self-balancing set of accounts recording either cash or other resources, or both, together with related liabilities, obligations, reserves and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

CC. "Fund balance" means the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, before the end of a fiscal period, it represents the excess of the fund assets and estimated revenues for the period over its liabilities, reserves and appropriations for the fiscal period.

DD. "General facility major maintenance emergent need contingency project" means an appropriation to provide contingent budget authority for emergent needs within major maintenance reserve fund CIP projects.

EE. "Implementation phase" means the time during which a project is constructed or implemented. "Implementation phase" also includes the testing, inspection, adjustment, correction and certification of facilities and systems to ensure that the project performs as specified. The implementation phase begins with the notice to proceed for the construction contract and ends with final acceptance of the project, unless otherwise specified in grant or regulatory requirements.

FF. "Implementing agency" means the appropriate department and division responsible for the administration of CIP projects.

GG. "Lapse" of an appropriation means an automatic termination of an appropriation.

HH. "Major maintenance reserve fund CIP project" means any major maintenance reserve fund CIP project that is allocated in the adopted six-year major maintenance reserve fund CIP and is appropriated at the major maintenance reserve fund level in accordance with K.C.C. 4.04.265\* or is a high-risk project under K.C.C. 4.04.245\*\*.

II. "Major widening project" means any roads CIP project adding at least one through lane in each direction.

JJ. "Object of expenditure" means a grouping of expenditures on the basis of goods and services purchased, such as salary and wages.

KK. "Open space non-bond fund project" means an open space project that is allocated in the adopted six-year open space CIP and is appropriated at the open space non-bond fund number 3522 level in accordance with K.C.C. 4.04.300\*\*\*.

LL. "Operational master plan" means a comprehensive plan for an agency setting forth how the organization will operate now and in the future. An operational master plan shall include the analysis of alternatives and their life cycle costs to accomplish defined goals and objectives, performance measures, projected workload, needed resources, implementation schedules and general cost estimates. The operational master plan shall also address how the organization would respond in the future to changed conditions.

MM. "Planning phase" means the time during which identification and development of project need and potential alternatives, evaluation of technical and economic feasibility and development of a rough-order-of-magnitude total project cost estimate occurs.

NN. "Preliminary design phase" means the time during which when evaluation and analysis of potential project alternatives occurs, and the preferred alternative is selected and designed sufficiently to establish a project baseline, at thirty to forty percent design.

OO. "Program" means the definition of resources and efforts committed to satisfying a public need. The extent to which the public need is satisfied is measured by the effectiveness of the process in fulfilling the needs as expressed in explicit objectives.

PP. "Project program plan" means a plan, primarily in written narrative form, that describes the overall development concept and scope of work for a building, group of buildings or other facilities at a particular site. The complexity of the project program plan will vary based upon the size and difficulty of the program for a particular site. When the plan includes projects that are phased over time, each phase shall have an updated project program plan prepared by the user agency before project implementation. The project program plan shall be prepared by the user agency with assistance from the implementing agency. The program plan describes the user agency program requirements for a specific building or site; provides the basis for these requirements; and identifies when funds for the

implementation of the capital projects will be provided. The program plan shall elaborate on the general program information provided in the operational master plan and the capital improvement plan. The plan shall also describe user agency programs, how these programs would fit and function on the site, and the general recommendation of the user agency regarding the appearance of the building or site. The plan shall indicate when a site master plan is required for a project.

QQ. "Public need" means those public services found to be required to maintain the health, safety and well-being of the general citizenry.

RR. "Quarterly management and budget report" means a report prepared quarterly by the director for major operating and capital funds, that:

1. Presents executive revisions to the adopted financial plan or plans;
2. Identifies significant deviations in agency workload from approved levels;
3. Identifies potential future supplemental appropriations with a brief discussion of the rationale for each potential supplemental;
4. Identifies significant variances in revenue estimates;
5. Reports information for each appropriation unit on the number of filled and vacant full-time equivalent and term-limited temporary positions and the number of temporary employees;
6. Includes the budget allotment plan information required under K.C.C. 4.04.060\*\*\*\*; and
7. Describes progress towards transitioning potential annexation areas to cities.

SS. "Reappropriation" means authorization granted by the council to expend the appropriation for the previous fiscal year for capital programs only.

TT. "Regulations" means the policies, standards and requirements, stated in writing, designed to carry out the purposes of this chapter, as issued by the executive and having the force and effect of law.

UU. "Revenue" means the addition to assets that does not increase any liability, does not represent the recovery of an expenditure, does not represent the cancellation of certain liabilities on a decrease in assets and does not represent a contribution to fund capital in enterprise and intragovernmental service funds.

VV. "Roads CIP project" means roads capital projects that are allocated in the adopted six-year roads CIP and are appropriated at the roads CIP fund level in accordance with K.C.C. 4.04.270\*\*\*\*\* or a high-risk project under K.C.C. 4.04.245\*\*.

WW. "Scope change" means, except for major maintenance reserve fund, roads, solid waste, surface water management and wastewater CIP projects, that a CIP project's total project cost increases by ten percent or by fifty thousand dollars, whichever is less. For major maintenance reserve fund, roads, solid waste, surface water management or wastewater CIP projects, "scope change" means the total project cost increases by fifteen percent.

XX. "Section" means an agency's budget unit comprised of a particular project, program or line of business as described in Ordinance 16445, Section 5, for the 2010 budget or for all subsequent budgets as described in the budget detail plan for the previous fiscal period as attached to the adopted appropriation ordinance or as modified by the most-recent supplemental appropriation ordinance. This definition is not intended to create an organizational structure for any agency.

YY. "Site master plan" means a plan prepared by the implementing agency, with input from the user agency, that describes, illustrates and defines the capital improvements required to provide user agency program elements.

1. The site master plan shall include preliminary information regarding, at a minimum:

- a. site analysis, including environmental constraints;
- b. layout, illustration and description of all capital improvements;

- c. project scopes and budgets;
- d. project phasing; and
- e. operating and maintenance requirements.

2. The site master plan shall be approved by the user agency and the implementing agency before submittal to the executive and council for approval.

ZZ. "Solid waste CIP project" means a solid waste project that is allocated in the adopted six-year solid waste CIP and is appropriated at the solid waste CIP fund level in accordance with K.C.C. 4.04.273\*\*\*\*\* or is a high-risk project under K.C.C. 4.04.245\*\*.

AAA. "Surface water management CIP project" means a surface water management project that is allocated in the adopted six-year surface water management CIP and is appropriated at the surface water management CIP fund level in accordance with K.C.C. 4.04.275\*\*\*\*\* or is a high-risk project under K.C.C. 4.04.245\*\*.

BBB. "User agency" means the appropriate department, division, office or section to be served by any proposed CIP project.

CCC. "Wastewater asset management projects" means the wastewater capital projects identified and intended by the wastewater treatment division to extend and optimize the useful life of wastewater treatment assets, including facilities, structures, pipelines and equipment.

DDD. "Wastewater CIP project" means wastewater capital projects that are allocated in the adopted six-year wastewater CIP and are appropriated at the wastewater CIP fund level in accordance with K.C.C. 4.04.280\*\*\*\*\* or is a high-risk project under K.C.C. 4.04.245. (Ord. 17229 § 1, 2011: Ord. 16960 § 14, 2010: Ord. 16764 § 6, 2010: Ord. 16764 Ord. 16445 § 1, 2008: Ord. 15545 § 2, 2006: Ord. 14811 § 2, 2003: Ord. 14743 § 2, 2003: Ord. 14561 § 12, 2002: Ord. 14452 § 1, 2002: Ord. 14122 § 1, 2001: Ord. 13035 § 1, 1998: Ord. 12076 § 2, 1995).

**Reviser's notes:**

**\*K.C.C. 4.04.265 was repealed by Ordinance 17929 § 40, 2014.**

**\*\*K.C.C. 4.04.245 was recodified as K.C.C. 4A.130.010 by Ordinance 17930 § 16, 2014.**

**\*\*\*K.C.C. 4.04.300 was repealed by Ordinance 17929 § 46, 2014.**

**\*\*\*\*K.C.C. 4.04.060 was recodified as K.C.C. 4A.100.100 by Ordinance 17929 § 24, 2014.**

**\*\*\*\*\*K.C.C. 4.04.270 was repealed by Ordinance 17929 § 42, 2014.**

**\*\*\*\*\*K.C.C. 4.04.273 was repealed by Ordinance 17929 § 43, 2014.**

**\*\*\*\*\*K.C.C. 4.04.275 was repealed by Ordinance 17929 § 44, 2014.**

**\*\*\*\*\*K.C.C. 4.04.280 was repealed by Ordinance 17929 § 45, 2014.**

## **V. CAPITAL IMPROVEMENT PROGRAM**

### **4.04.246 CIP lease based projects - phases - procedures.**

A. For purposes of this section, "lease-based project" is as defined in K.C.C. 4.04.245\*. The phases of a lease-based project are the planning, predevelopment and lease phases.

1. The planning phase is the time during which the county develops the scope of work including an estimate of project size, construction cost, and tenant improvements. The procurement process for the developer is completed in this phase.

2. The predevelopment phase is the time during which the county in conjunction with the developer identifies and analyzes potential alternatives, selects the preferred alternative and evaluates the technical and economic feasibility of the project. The preferred alternative is engineered to approximately thirty percent design. The draft lease

agreement is agreed to in principle by the developer and the executive at the completion of the predevelopment phase.

3. The lease phase is when the executive requests council approval to enter into a lease agreement for the project.

B. When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council that encompasses work to be performed in the planning phase of a lease-based project, the executive shall provide as supporting data a cost estimate that details the anticipated cost for each major task required to complete the predevelopment phase.

C. When submitting a capital budget appropriation ordinance or an additional or amended capital budget appropriation ordinance to the council that encompasses work to be performed in the predevelopment phase of a lease-based project, the executive shall provide as supporting data an estimate of project size, construction cost and tenant improvements, and a description of performance requirements and space needs.

D. When submitting an ordinance requesting council approval to enter into a lease agreement for a lease-based project, the executive shall provide supporting data as follows:

1. Identify design criteria;
2. Provide a financial analysis of the project;
3. Provide the draft lease agreement agreed to by the executive and developer;
4. Provide the development team's pro forma cost plan for the design and construction of the project;
5. Provide a description and an analysis of the feasible alternatives considered, and identify the recommended alternative;
6. Provide planned schedule that shows the anticipated start and finish dates for each major task, consistent with the development team's pro forma cost plan;
7. Identify stakeholders;
8. Identify regulatory requirements;
9. Report variance of predevelopment phase major task performance from the schedule and cost estimate provided for the predevelopment phase.

E. For any item required by subsections B. through D. of this section that the executive does not provide with the appropriation request, the executive shall provide a detailed explanation of why it cannot be provided and, if the item is to be provided later, identify the date by which the item will be provided. (Ord. 16764 § 3, 2010).

**\*Reviser's note: K.C.C. 4.04.245 was rerecodified as K.C.C. 4A.130.010 by Ordinance 17930 § 16, 2014.**

## 4.10 INVESTMENT OF FUNDS

### Sections:

- |          |                                            |
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| 4.10.010 | Definitions                                |
| 4.10.040 | Maximum available for investment.          |
| 4.10.050 | Executive finance committee.               |
| 4.10.060 | Reports on investments.                    |
| 4.10.070 | Investment earnings, losses and penalties. |
| 4.10.080 | Report to the council.                     |
| 4.10.090 | Pooled investments.                        |
| 4.10.100 | Repealer.                                  |
| 4.10.110 | New funds.                                 |
| 4.10.120 | Ratification of prior investments.         |
| 4.10.130 | Administrative rules.                      |
| 4.10.150 | Outstanding investments.                   |

**4.10.010 Definitions.** As used in this chapter, the following terms shall have the following meanings:

A. "Manager" means manager of the finance and business operations division.

B. "First tier fund": Each county fund listed or described as a first tier fund in K.C.C. chapter 4.08\*.

C. "Fund manager" means that person holding or exercising the powers of the position or office specified in K.C.C. chapter 4.08\* as the manager for each fund and such persons to whom the fund manager has delegated duties and responsibilities as provided in K.C.C. chapter 4.08\*.

D. "Residual treasury cash" means any cash in the custody or control of the finance and business operations division as to which no investment directive under the first paragraph of RCW 36.29.020, as now or hereafter amended, has been received by the manager of the finance and business operations division. Residual treasury cash includes county cash for which the fund manager has not directed a specific fund investment pursuant to this chapter.

E. "Second tier fund" means a fund that is not to be invested for its own benefit under the first paragraph of RCW 36.29.020 and listed as a second tier fund in K.C.C. chapter 4.08\*. (Ord. 14561 § 19, 2002: Ord. 14199 § 53, 2001: Ord. 12076 § 33, 1995).

**\*Reviser's note: K.C.C. chapter 4.08 was recodified as K.C.C. chapter 4A.200 by Ordinance 17527.**

**4.10.040 Maximum available for investment.** For each first tier fund designated in K.C.C. chapter 4.08\*, the maximum amount of funds available but not required for immediate expenditure which are to be invested pursuant to the first paragraph of RCW 36.29.020, as now or hereafter amended, is to be determined by the fund manager prospectively taking into consideration the need to maintain sufficient cash liquidity in the fund to meet current expenditure requirements. Each fund manager shall make such a determination for each fund no less often than weekly, nor more often than daily, and shall promptly advise the manager of the finance and business operations division, in such manner and subject to such reasonable administrative constraints as the manager of the finance and business operations division shall establish, if there are funds to be invested, to invest such amounts from each fund, informing the manager of the finance and business operations division of the amount and maximum length of maturity appropriate for each investment, and such amounts are hereby authorized for investment under the first paragraph of RCW 36.29.020, as now or hereafter amended. Such investments shall be made and the lengths of their maturities selected by the manager of the finance and business operations division in consultation with the executive finance committee. Consultation with the executive finance committee shall include, at a minimum, full disclosure of average invested and residual cash for each county fund. Such investments shall not negate or affect the authority of the manager of the finance and business operations division, under the guidance of the executive finance committee, to include the retained cash balance in the fund as part of the residual treasury cash invested under the second paragraph of RCW 36.29.020, as now or hereafter amended, for the benefit of the county Current Expense Fund. (Ord. 14199 § 54, 2001: Ord. 12076 § 34, 1995).

**\*Reviser's note: K.C.C. chapter 4.08 was recodified as K.C.C. chapter 4A.200 by Ordinance 17527.**

**4.10.050 Executive finance committee.** The executive finance committee is hereby confirmed as being the "county finance committee," referred to in RCW 36.29.020



and RCW 36.48.070, and shall be composed of the following: the county executive; the manager of the finance and business operations division; the director of the office of performance, strategy and budget; and the chair of the county council. The executive finance committee shall be responsible for directing the manager of the finance and business operations division in determining the maximum prudent extent to which residual treasury cash shall be invested pursuant to RCW 36.29.020 and this chapter. Actions of the committee shall be by majority vote except when the chair of the council determines such action constitutes a policy determination, as opposed to an administrative determination, which should be referred to the council. The chair of the council may defer action on the proposal until the council makes such policy determination regarding the proposed action. (Ord. 16960 § 21 2010: Ord. 14561 § 20, 2002: Ord. 14199 § 55, 2001: Ord. 12076 § 35, 1995).

**4.10.060 Reports on investments.** The investment instruments in which county funds shall be invested shall be selected solely by the manager of the finance and business operations division or designee and fully reported to the executive finance committee on a monthly basis at a minimum. Any losses on investments including all investments of the county treasury shall be reported by the manager of the finance and business operations division to all members of the executive finance committee immediately upon discovery. Investments shall be chosen from those which are now or may hereafter be legally permitted, with the aim of maximizing return to the county while safeguarding county funds, providing the liquidity needed to meet county obligations in timely fashion, and complying with such other county policy directives as now exist or may be hereafter adopted. (Ord. 18618 § 105, 2017: Ord. 14199 § 56, 2001: Ord. 7112 § 6, 1985).

**4.10.070 Investment earnings, losses and penalties.** Investment earnings and losses and any penalties for premature liquidation shall be allocated as follows:

A. In the case of first tier funds, for those specific fund investments directed by the fund manager, an investment service fee equal to the maximum now or hereafter authorized by state law shall be deposited in the county current expense fund, and the balance of the maturing or liquidated investment, plus earnings if any, shall be deposited in the specific fund out of which the investment originated.

As an alternative to premature liquidation of these specific fund investments, the executive finance committee may provide, on appropriate terms and conditions, for temporary interfund borrowing to cover unforeseen cash liquidity needs, and may provide for interfund purchases, at then market value, of investments in order to avoid penalties, provided that, the manager of the finance and business operations division shall report to the executive finance committee any temporary interfund borrowing made to avoid liquidation of any investment instrument if such liquidation would have resulted in a loss of principal or interest. Terms and conditions should specify an interest rate and schedule of repayment.

B. For all other county funds, and for residual treasury cash investments attributable to first tier funds, all earnings and losses and any penalties for premature liquidation shall be deducted from or deposited in the county current expense fund and used for general county purposes. (Ord. 14199 § 57, 2001: Ord. 7112 § 7, 1985).

**4.10.080 Report to the council.** The executive finance committee shall report to the county council quarterly the average residual cash and investment balances of each first tier fund, the amount of investment earnings received by each first tier fund, the specific fund investments outstanding at the end of the quarter for each first tier fund, and the amount retained in that fund at the end of the quarter as part of the residual treasury cash. (Ord. 7112 § 8, 1985).

**4.10.090 Pooled investments.** At the direction of the executive finance committee, with the agreement of the fund manager, the manager of the finance and business operations division or designee, may pool monies for specific fund investments with other monies directed for specific fund investments by a fund manager under the first paragraph of RCW 36.29.020, as now or hereafter amended, monies in the residual treasury cash and monies directed for investment by other municipal corporations. Interest earnings and any losses shall be apportioned pro rata, after payment of investment service fees to the county current expense fund, to each of the funds participating in the pooled investment. (Ord. 18618 § 106, 2017; Ord. 14199 § 58, 2001; Ord. 7112 § 9, 1985).

**4.10.100 Repealer.** King County Resolution 36165 is hereby repealed, except that it shall continue to govern the investment of county funds consisting primarily of proceeds from the issuance of bonds or other county obligations authorized (whether or not yet issued) prior to January 1, 1985, and shall take precedence over Ordinance 7112 as to such funds in case of irreconcilable conflict. (Ord. 7112 § 10, 1985).

**4.10.110 New funds.**

A. Whenever a new county fund shall be created, unless it is a first tier fund, consideration shall be given to whether it should be a first tier fund, and the council shall consider the recommendation of the executive in this regard within forty-five days of receiving such recommendation. Any fund as to which no specific action is or has been taken within forty-five days to authorize specific fund investments under the first paragraph of RCW 36.29.020, as now or hereafter amended, shall be a second tier fund.

B. Whenever a new county fund is established with direction that all surplus moneys in the fund be invested for the benefit of that fund, or when such direction is given in connection with any county fund, such direction shall be deemed to mean only that monies available but not required for immediate expenditure shall be invested for that fund according to the procedures and limitations contained in this chapter, and such direction shall not negate or affect the authority of the manager of the finance and business operations division, under the guidance of the executive finance committee, to include the retained cash balance in that fund as part of the residual treasury cash invested under the second paragraph of RCW 36.29.020, as now or hereafter amended, for the benefit of the general fund; except that if specific negative reference is made to this chapter and direction is expressly given that the Current Expense Fund shall not receive any earnings attributable to the fund in question, then and only then shall that particular fund be entitled to its proportionate share of any earnings resulting from residual treasury cash.

C. In case direction shall be given that certain moneys in a fund be invested for the benefit of that fund, and no fund manager be provided for, then the director of the county department or office primarily responsible for expenditures from that fund shall be the fund manager. (Ord. 17527 § 4, 2013; Ord. 14199 § 59, 2001; Ord. 12646 § 2, 1996; Ord. 12076 § 36, 1995).

**4.10.120 Ratification of prior investments.** All prior actions of the executive finance committee and the manager of the finance and business operations division taken in connection with investment directives and policies, investment decisions, and the allocation of investment earnings, as they relate to the investment of county funds, are hereby ratified. (Ord. 18618 § 107, 2017; Ord. 14199 § 60, 2001; Ord. 12076 § 37, 1995).

**4.10.130 Administrative rules.** The manager of the finance and business operations division shall promulgate administrative rules pursuant to K.C.C. chapter 2.98 to implement this chapter. The rules shall be approved by the executive finance committee. (Ord. 14199 § 61, 2001: Ord. 7112 § 13, 1985).

**4.10.150 Outstanding investments.** In the event that there are any investments outstanding on January 1, 1985, which have been made for the benefit of a county fund (the "originating fund") that will no longer, upon January 1, 1985, be entitled to retain investment earnings, then the earning or loss from the investment shall, upon receipt or maturity, be divided proportionately between the originating fund and the current expense fund according to the number of calendar days such investment was outstanding before and on or after January 1, 1985. In such cases, the current expense fund shall receive, from the originating fund's share of investment earnings, the maximum investment service fee now or hereafter allowed by state law. (Ord. 7112 § 15, 1985).

#### **4.14 BIDDING PROCEDURES FOR FINANCIAL SERVICES CONTRACTS**

##### **Sections:**

- 4.14.010 Policy.
- 4.14.020 Frequency of competitive procurement process.
- 4.14.030 Financial service need survey.
- 4.14.040 Development and review of specifications.
- 4.14.045 Scoring criteria for evaluating proposals for the county commercial banking contracts.
- 4.14.050 Specifications forwarding - preproposal conference.
- 4.14.060 Specifications time limit - proposals called when.

##### **4.14.010 Policy.**

A. It is [a requirement of Washington state law and]\* the policy of King County that financial services provided to the county by [commercial]\* banking institutions be provided as a result of open competitive procurement processes.

B. Financial services provided to the county by commercial banking institutions may only be provided by banking institutions that have a demonstrated history of and ongoing commitment to socially responsible banking practices. (Ord. 17756 § 1, 2014: Ord. 12076 § 39, 1995).

**Reviser's note: New material in Ordinance 17756 not underlined as required under K.C.C. 1.24.075.**

**4.14.020 Frequency of competitive procurement process.** Competitive procurement processes by banking institutions to provide those services shall occur [at least]\* once every seven years though there is an exception for banks serving the needs of special districts as set forth in K.C.C. 4.14.080. (Ord. 17756 § 2, 2014: Ord. 14484 § 1, 2002: Ord. 12076 § 40, 1995).

**Reviser's note: New material in Ordinance 17756 not underlined as required under K.C.C. 1.24.075.**

**4.14.030 Financial service need survey.** The manager of the finance and business operations division shall conduct a survey of the financial services needs of the county prior to initiating the procurement process. The survey shall be reviewed and

updated prior to each subsequent procurement process. (Ord. 14199 § 62, 2001: Ord. 12076 § 41, 1995).

**4.14.040 Development and review of specifications.**

A. The manager of the finance and business operations division shall develop specifications stating the financial service needs [and the responsible banking requirements]\* of the county.

B. The specifications shall be reviewed and approved by the council [by motion]\* before formally seeking proposals from banks.

C. The specifications shall include a minimum requirement that the bank has a current Community Reinvestment Act rating of "outstanding" from the U.S. Office of the Comptroller of the Currency, the U.S. Federal Reserve Bank or another applicable federal regulatory agency. The outstanding rating shall apply to a rating assessment area that includes the geographical boundaries of King County.

D. Each bank submitting a proposal is required to submit a community reinvestment plan describing past performance and proposed initiatives within King County related to lending, investing and providing community banking services to traditionally underserved and disadvantaged communities. The community investment plan shall be part of the evaluation process for awarding a contract.

E. A community reinvestment plan should summarize, as well as supplement, information that each bank is required to submit to a designated federal agency as part of its most-recent community reinvestment Act rating process for an assessment area that includes King County. All data and reporting within the plan shall focus on actions the bank is taking, or planning to take, to improve access to bank services and to increase opportunities for building assets and providing credit in low-income and racially diverse areas throughout King County.

F. A community reinvestment plan should highlight performance over the previous three years and include goals for the duration of the contract period that fall into three categories: lending, investing and services. The plan shall also describe the approach used by the bank to determine the geographic and socioeconomic distribution of its lending, investing, and services. Following are other specific components of the community reinvestment plan required by the county:

1. Lending. The plan shall provide information about:

a. mortgage-lending efforts and products, including innovative loan products with more flexible terms, and how these efforts and products are meeting the credit needs of low and moderate income individuals and geographies;

b. community development lending, by the bank, that helps develop affordable housing and helps nonprofit organizations and private facilities expand job creation and support services for working families, with the goal of increasing economic stability; and

c. small business lending, by the bank, to establish businesses and create jobs, particularly those in low-income and minority census tracts that foster and support minority and women owned businesses; and

d. lending, by the bank, to finance improvements to public infrastructure within the county;

2. Investing. The plan shall provide information about:

a. tax credit investments, grants, corporate giving activities and nonprofit sponsorships, by the bank, that provide and promote affordable housing, encourage self-sufficiency and foster economic development; and

b. grants and corporate giving activities, by the bank, that provide or promote improvements to public infrastructure within the county; and

3. Services. The plan shall provide information about:

a. programs and community partnerships of the bank that provide small-business development, workforce development, capacity building and asset development;

b. community services involving bank employees, including participation in consumer training or seminars, home-buyer seminars, tax-preparation services and financial education for students and serving on nonprofit boards and committees;

c. branch networks, including a record of opening and closing of branch offices and information about whether these changes have had a positive or negative effect, particularly in low- and moderate-income geographies; and

d. services and efforts of the bank that address the credit needs of low- and moderate-income individuals and geographies, including, but not limited to, affordable check cashing, alternatives to payday loans and prepaid debit cards and other outreach and education opportunities aimed at assisting distressed home mortgages.

G. The plan shall include clear and measurable performance goals or standards to demonstrate that the bank is making good faith efforts to follow through on commitments and elements of the plan referenced in subsection F. of this section.

H. The director of finance and business operations shall reject a bid as nonresponsive for failure to include every component of this section in the plan submitted by a bank.

I. The bank awarded the contract shall provide a plan for reaching individuals with limited English proficiency and provide lending, investing and community banking services to individuals with limited English proficiency. (Ord. 17756 § 3, 2014: Ord. 14199 § 63, 2001: Ord. 12076 § 42, 1995).

**Reviser's note: New material in Ordinance 17756 not underlined as required under K.C.C. 1.24.075.**

**4.14.045 Scoring criteria for evaluating proposals for the county commercial banking contracts.** The scoring criteria for evaluating proposals for the county commercial banking contracts shall be:

A. Twenty-five percent for the community reinvestment plan created in accordance with K.C.C. 4.14.040;

B. Forty percent for pricing;

C. Twenty-five percent for qualifications and responses to the request for proposals; and

D. Ten percent for small contractor and supplier certification. (Ord. 17756 § 4, 2014).

**4.14.048 Annual certification of county's commercial bank.**

A. The manager of the finance and business operations division shall annually certify to the county council that the county's commercial bank has:

1. Made good-faith efforts to comply with all goals and commitments contained within the community reinvestment plan. If the bank and the manager agree that an element cannot reasonably be achieved, the county council shall be notified within seven days of the agreement that the element cannot reasonably be achieved;

2. Maintained its outstanding Community Reinvestment Act rating under K.C.C.4.14.040.C; and

3. Complied with all provisions of the banking services contract.

B. The certification, and any notice that an agreement that an element cannot be reasonably achieved as determined under subsection A.1. of this section, shall be made to the council in the form of a paper original and an electronic copy filed with the clerk of the council, who shall retain the paper original and forward electronic copies to all councilmembers. (Ord. 17756 § 5, 2014).

**4.14.050 Specifications forwarding — preproposal conference.** [The approved]\* specifications shall be forwarded to all banking institutions capable of serving the county's financial service needs and shall be made available to any bank or individual interested in providing the services [that also qualifies as a Washington state public depository under RCW 36.48.060]\*. A conference shall be arranged before submission of formal proposals to receive input from the banking community. (Ord. 17756 § 6, 2014; Ord. 12076 § 43, 1995).

**4.14.060 Specifications time limit - proposals called when.** Specifications for providing banking services to the county shall be developed for council approval on or before the end of March. Proposals shall be called by the first working day in June. (Ord. 12076 § 44, 1995).

**4.14.070 County banking contracts - waiver prohibited - extension and termination - actions upon breach.**

Except for banking services contracts authorized by section 8 of this ordinance, the manager of the finance and business operations division may not waive the requirements in this chapter for the county banking contract. In administering the program, the manager shall:

A. Have the option to extend existing banking contracts by up to one calendar year should no banks meet the county's requirements through the request for proposals process. In this instance, the manager shall notify the council immediately, identify any recommended changes to these requirements and seek council approval of the changes, which approval shall be made by ordinance. The notice shall be made to the council in the form of a paper original and an electronic copy filed with the clerk of the council, who shall retain the paper original and forward electronic copies to all councilmembers and the lead staff of the budget and fiscal management committee or its successor;

B. Include a clause in all banking contracts allowing the county to terminate the contract with one hundred eighty days' notice should the bank, at any time during the contract, lose its outstanding Community Reinvestment Act rating under K.C.C. 4.14.040.C;

C. Exercise the county's option to terminate under subsection B. of this section if the bank fails to cure as specified in the contract or subsection D. of this section, and notify the council within seven days of sending the notice should any banking institution under contract with the county lose its outstanding Community Reinvestment Act rating under K.C.C. 4.14.040.C. during the course of the contract;

D. If the bank does not comply with any provision of the banking contract:

1. Upon finding a first breach of the banking contract, immediately inform the bank of the breach and offer the bank ninety days to cure the breach; provided that, if the bank receives a Community Reinvestment Act rating from a federal regulator agency that is below outstanding for the assessment area that includes the geographical boundaries of King County, the manager of the finance and business operations division has the discretion to allow the bank to cure this problem by requesting that the bank immediately update its community reinvestment plan to address specific deficiencies noted in the rating process; and provided further that, the outstanding Community Reinvestment Act rating must be reinstated by a federal regulator agency within two years from the date of the rating downgrade;

2. After ninety days after a first breach, if the bank has not corrected the breach, issue a one-hundred-eighty-day termination notice;

3. If the bank breaches the contract a second time during the term, immediately inform the bank of a second breach and require of the bank a payment to the county equal

to five percent of the previous year's total commercial banking fees incurred by the county. The bank then has ninety days to correct the breach. The county may then use the penalty funds to contract with a nonprofit organization or organizations to provide services increasing access to consumer credit, subject to appropriation;

4. If, after ninety days of a second breach, the bank has not corrected the breach, issue a one-hundred-eighty-day termination notice;

5. If a bank breaches the contract a third time during the term, immediately inform the bank of a second breach and require from the bank a payment equal to ten percent of the previous year's total commercial banking fees incurred by the county. The county may then use the penalty funds to contract with a nonprofit organization or organizations increasing access to consumer credit. The bank then has ninety days to correct the breach;

6. If, after ninety days of a third breach, the bank has not corrected the problem that led to the breach, issue a one-hundred-eighty-day termination notice;

7. If a bank breaches the contract for a fourth time during the term, immediately issue a one-hundred-eighty-day termination notice; and

8. Issue any notices required under this section in the form of a paper original and an electronic copy filed with the clerk of the council, who shall retain the paper original and forward electronic copies to all councilmembers and the lead staff of the budget and fiscal management committee or its successor; and

E. Arrange for the bank to make a presentation to the county's executive finance committee, at least once a year that includes an update of the community reinvestment plan and a report on the progress of fulfilling commitments in the plan. (Ord. 17756 § 7, 2014).

#### **4.14.080 Banking contract with another bank that is not county's main banking services provider for local government's convenience.**

The county may enter into a banking contract with another bank that is not the county's main banking services provider for the convenience of one or more local governments for which the county serves as treasurer. In these circumstances, the contractual banking services shall be paid for by the local government or governments and the manager of the finance and business operations division may waive portions of these requirements contained within this chapter to provide a convenience to the other local government or governments. (Ord. 17756 § 8, 2014).

#### **4.14.090 Chapter not basis for private right of action.**

This chapter is a general statement of county policy that cannot form the basis of a private right of action. (Ord. 17756 § 9, 2014).

### **4.24 EXECUTIVE FINANCE COMMITTEE AND INTERFUND BORROWING**

#### **Sections:**

- 4.24.010 Executive finance committee designated agency to provide for interfund borrowing.
- 4.24.020 Rules for temporary transfer of funds.
- 4.24.030 Report of interfund borrowing.

**4.24.010 Executive finance committee designated agency to provide for interfund borrowing.** Executive Order No. 1008 establishes an executive finance committee and defines its membership and responsibilities as to the judicious investment

of county treasury funds and the redemption of county securities, and is hereby designated as the agency authorized to provide for interfund borrowing. (Ord. 823 § 1, 1971).

**4.24.020 Rules for temporary transfer of funds.** In accordance with authority established by Section 490 of the Home Rule Charter, the executive finance committee shall adopt rules and procedures which pertain to the transfer of funds on a temporary loan basis from one solvent county fund to another solvent county fund. Such rules shall provide the duration and interest rate to be charged on such loans. (Ord. 823 § 2, 1971).

**4.24.030 Report of interfund borrowing.** Each month following the regular meeting of the executive finance committee, it shall file with the county council a current report of all interfund borrowing including the funds involved, the amounts of the loans authorized and outstanding, the terms of the loans and the interest charges, if any. (Ord. 823 § 3, 1971).

## 4.26 VEHICLE LICENSE FEE\*

**\*Reviser's note: K.C.C. 4.26.010, 4.26.015 and 4.26.020 were recodified as a new chapter in K.C.C. Title 4A. However, the state section authorizing the chapter, RCW 82.80.020, was repealed in 2003. Therefore, the sections were not recodified, pending an ordinance to dispose of the sections.**

### Sections:

- 4.26.005 Definitions.
- 4.26.010 Fee levied.
- 4.26.015 Exemptions.
- 4.26.020 Collection.

#### **4.26.005 Definitions.**

A. "Combined disposable household income" shall mean the disposable income of the person applying for the exemption plus the disposable income of all persons in the household.

B. "Disposable income" shall mean the same as the term is defined by RCW 84.36.383(6) as now or hereafter amended.

C. "Physical disability" shall mean the same as the term is defined by RCW 46.16.381(1) as now or hereafter amended. (Ord. 11123 § 1, 1993).

**4.26.010 Fee levied.** Under the authority of RCW 82.80.020, there is hereby levied an annual fee of fifteen dollars per vehicle for each vehicle authorized by RCW 82.80.020(1) and determined by the Washington state Department of Licensing to be registered within the boundaries of the county. (Ord. 14226 § 1, 2001: Ord. 9736, 1990: Ord. 9735 § 1, 1990).

**4.26.015 Exemptions.** The registered owners of vehicles residing within the boundaries of the county who, at the time payment of the fee established by this chapter is due, are sixty-one years old or older and whose combined disposable household income is seventy percent or less of the state median as determined by the Washington state Office of Financial Management or have a permanent physical disability and have been issued a permanent disabled persons placard or disabled person's license plates by the Washington state Department of Licensing shall, upon application, be exempted from this fee. Proof of disability must be provided. (Ord. 17292 § 5, 2012: Ord. 11123 § 2, 1993).



**4.26.020 Collection.** The fee imposed by this chapter shall be collected and administered by the Washington state Department of Licensing; the revenues from the fee imposed by this chapter shall be distributed to the county and the cities; and the proceeds of the fee imposed by this chapter shall be used strictly for transportation purposes in accordance with Chapter 42, Laws of Washington 1990. (Ord. 17292 § 7, 2012: Ord. 9736, 1990: Ord. 9735 § 2, 1990).

### **4.35 EXCISE TAX ON TIMBER HARVESTED FROM PUBLIC LANDS**

#### **Sections:**

- 4.35.010 Tax imposed - payment, collection and remittal.
- 4.35.020 Tax rates - excuse of tax.
- 4.35.030 Administration and collection.
- 4.35.040 Distribution of revenues.
- 4.35.050 Contract for administration and collection.
- 4.35.060 Inspection of county records authorized to facilitate administration.
- 4.35.070 Violations - misdemeanor.

**4.35.010 Tax imposed - payment, collection and remittal.** There is hereby imposed, as authorized by RCW 84.33.051(1), an excise tax on every person engaging in business in the county of King as a harvester as defined by RCW 84.33.035. The tax shall be paid, collected and remitted to the Department of Revenue of the state of Washington at the time and in the manner prescribed by RCW 84.33.086 and regulations adopted thereunder. (Ord. 15135 § 2, 2005: Ord. 6942 § 1, 1984).

#### **4.35.020 Tax rates - excuse of tax.**

A. For timber harvested from privately owned land, the tax imposed by K.C.C. 4.35.010 shall be equal to the stumpage value of the timber, as defined in RCW 84.33.035, multiplied by the rate of four percent.

B. For timber harvested from publicly owned land, the tax shall be equal to the stumpage value of the timber, as defined in RCW 84.33.035, multiplied by the following rates:

1. For timber harvested January 1, 2005, through December 31, 2005, 1.2 percent;
2. For timber harvested January 1, 2006, through December 31, 2006, 1.5 percent;
3. For timber harvested January 1, 2007, through December 31, 2007, 1.8 percent;
4. For timber harvested January 1, 2008, through December 31, 2008, 2.1 percent;
5. For timber harvested January 1, 2009, through December 31, 2009, 2.4 percent;
6. For timber harvested January 1, 2010, through December 31, 2010, 2.7 percent;
7. For timber harvested January 1, 2011, through December 31, 2011, 3.1 percent;
8. For timber harvested January 1, 2012, through December 31, 2012, 3.4 percent;
9. For timber harvested January 1, 2013, through December 31, 2013, 3.7 percent; and
10. For timber harvested January 1, 2014, and thereafter, 4.0 percent.

C. Any harvester, as defined in RCW 84.33.035, incurring less than fifty dollars liability in any calendar quarter in excused from the payment of the tax imposed by Ordinance 6942, Section 1, but may be required by the Department of Revenue to file a return even though no tax may be due. (Ord. 15135 § 3, 2005: Ord. 6942 § 3, 1984).

**4.35.030 Administration and collection.** The administration and collection of the tax imposed by this chapter shall be in accordance with chapters 82.32 and 84.33 RCW, including penal provisions, with respect to the tax imposed by Ordinance 6942, except that RCW 82.32.045 and RCW 82.32.270 shall not apply. (Ord. 15135 § 4, 2005: Ord. 6942 § 4, 1984).

**4.35.040 Distribution of revenues.** Revenue distributed to the county by the state Treasurer from the proceeds of the tax imposed by K.C.C. 4.35.010, shall be deposited in the county timber tax account as established by the finance and business operations division of the department of executive services. Within thirty days after receiving the revenues from the state Treasurer, the director of finance and business operations division of the department of executive services shall make distribution from the revenues to taxing districts in the county, except the state, as prescribed by RCW 84.33.081. (Ord. 15135 § 5, 2005: Ord. 6942 § 5, 1984).

**4.35.050 Contract for administration and collection.** The county executive is hereby authorized to contract with the Department of Revenue for the administration and collection of the tax imposed by K.C.C. 4.35.010, and to provide in the agreement for the payment from the tax proceeds of the costs of collection and administration incurred by the Department of Revenue as directed in RCW 84.33.051. (Ord. 15135 § 6, 2005: Ord. 6942 § 6, 1984).

**4.35.060 Inspection of county records authorized to facilitate administration.** The county agrees to give to the state Department of Revenue such facts and information and to permit the Department of Revenue to inspect the county's records in connection with the imposition, collection and administration of the tax imposed by K.C.C. 4.35.010, as may be necessary to permit the Department of Revenue to facilitate the administration of the tax and ensure the correct distribution of its proceeds as provided by chapters 82.32 and 84.33 RCW. (Ord. 15135 § 7, 2005: Ord. 6942 § 7, 1984).

**4.35.070 Violations - misdemeanor.** Any person responsible for payment of the tax imposed by this chapter who fails to pay amounts lawfully due, and any person engaging in an unlawful act as defined in RCW 82.32.290 is guilty of a misdemeanor. (Ord. 15135 § 8, 2005: Ord. 6942 § 8, 1984).

## **4.36 COUNTY PROPERTY - PAYMENT OF RENT**

### **Sections:**

- 4.36.010 Rental payments.
- 4.36.020 Record and deposit of collections.

**4.36.010 Rental payments.** All rentals covering King County tax property and King County fee simple property shall be paid to the manager of the facilities management division. (Ord. 14199 § 82, 2001: Res. 9490 (part), 1945).

**4.36.020 Record and deposit of collections.** The manager of the facilities management division shall keep a complete record of all rentals collected, crediting to each

piece of property the amount of rentals received, and deposit with the manager of the finance and business operations division all funds received at the close of business each Friday. (Ord. 14199 § 83, 2001: Res. 33602, 1967: prior Res. 9490 (part), 1945).

#### **4.40 FINANCING ART IN COUNTY CONSTRUCTION PROJECTS**

##### **Sections:**

- 4.40.005 Definitions.
- 4.40.015 Funding, appropriations, opportunities for pooling funds and use of funds.
- 4.40.025 Inclusion of public art requirements in grants to other agencies.
- 4.40.110 General obligation bond proceeds.
- 4.40.120 Harborview Medical Center capital reserves.

**4.40.005 Definitions.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

A. "Acquisition phase" means the phase in which activities associated with acquisition or surplus and sale of real property, property rights or the acquisition of improvements through direct purchase or capitalized lease agreements occur. This phase typically runs at the same time as the final design phase or the preliminary design phase, as defined in K.C.C. 4A.10.015.

B. "Arts and cultural development fund" means the special revenue fund established in K.C.C. 4A.200.140 to receive and transfer to the cultural development authority a variety of revenues including, but not limited to, public art revenues.

C. "Client department" means the county department, division or office responsible for construction or custodial management of a facility or capital improvement project after construction is complete.

D. "County force" means work or services performed by county employees.

E. "Cultural development authority" or "authority" means the cultural development authority of King County established under K.C.C. chapter 2.49.

F. "Equipment and furnishings" means any equipment or furnishings that are portable and of standard manufacture. "Equipment" does not mean items that are custom designed or that create a new use for the facility, whether portable or affixed.

G. "Public art program" means the county program administered and implemented by the cultural development authority that includes the works and thinking of artists in the planning, design and construction of facilities, buildings, infrastructure and public spaces to enhance the physical environment, mitigate the impacts of county construction projects, and enrich the lives of county residents through increased opportunities to interact with art. (Ord. 17929 § 71, 2014: 71: Ord. 17527 § 55, 2013: Ord. 17229 § 6, 2011: Ord. 14482 § 57, 2002).

##### **4.40.015 Funding, appropriations, opportunities for pooling funds and use of funds.**

A. All capital improvement projects that are publicly accessible and visible, or for which there is a need for mitigation, shall contribute to the county's public art program.

1. The amount of the annual appropriation for public art shall be equal to one percent of the eligible project costs of those capital improvement projects that meet the criteria of public visibility and accessibility or need for mitigation. For the purposes of calculation, eligible project categories shall include capital improvement program projects for new construction, reconstruction or remodeling of buildings, parks and trails, commemorative structures, pedestrian and vehicular bridges, surface water management

projects, wastewater treatment projects, transit facility construction projects and solid waste transfer stations.

2. The following project categories shall be considered ineligible and may be excluded from the public art program calculation base: roads; airport runways; sewers; and solid waste landfills. This ineligibility shall not preclude a client department, in cooperation with the cultural development authority, from proposing a public art project for a road, airport runway, sewer or solid waste landfill project that presents an opportunity for the inclusion of public art.

3. At a minimum, the amount budgeted for public art in a capital improvement project shall be equal to one percent of the following project elements: conceptual design, design, contracted design, preliminary engineering, construction, contingency, county force design and project administration and construction engineering. Costs associated with the predesign phase of the county's capital planning projects meeting the above criteria and anticipated to result in construction, shall be included in the calculation for public art.

4. The following project elements may be excluded from the budget calculation for public art: acquisition equipment and furnishings; and county force acquisition. Asbestos abatement may also be excluded from the budget calculation for art when the costs for asbestos abatement have been calculated and a line item budgeted for asbestos abatement as been established within the project budget.

5. In all cases, where a capital improvement project has a scope of work that includes both eligible and ineligible project elements and eligible and ineligible project categories, the budget for public art shall be calculated, at a minimum, in the eligible portions of the project.

B. At the time a capital improvement project is proposed, the client department shall calculate and include a budgeted line item for public art in each eligible project described in this section. The executive's budget representative shall confirm the calculations with the cultural development authority and include the agreed-upon appropriations for public art in the executive's proposed budget. The amounts budgeted for public art in particular projects may be adjusted to reflect council changes to the county capital improvement program budget or supplemental budgets. The appropriation for public art shall be transferred to the arts and cultural development fund and from there to the cultural development authority as soon as the appropriation is made for the capital improvement project, and as soon as funds are available, except as otherwise provided in K.C.C. 2.49.170.

C. The source of the funds shall not affect the calculation for public art for a capital improvement project unless the conditions under which the revenue is made available prevent its use for artistic purposes. In this case, the revenue shall be excluded from the eligible project costs on which the one percent calculation for art is based.

D. A policy is hereby established to direct the pooling of all public art program revenues on a departmental basis. Interest generated by public art revenues shall not be pooled on a departmental basis. However, interest from all revenues shall be pooled collectively and used for the purposes established in this section.

Pooling affords the opportunity to look at the needs of the county as a whole and use the public art revenues only in those projects that may have the greatest impact on communities or offer the best opportunities for artist involvement. Pooling on a departmental basis affords the opportunity for the cultural development authority and client departments to work collaboratively on projects that reflect the missions and goals of individual departments and to ensure that public art projects are adequately funded. The decision regarding capital improvement projects that will include a public art project shall be determined jointly by the cultural development authority and the client department according to the procedures and criteria in this section and K.C.C. 2.46.150.

E. Revenues shall support the following uses:

1. The selection, acquisition and display of works of art, that may be an integral part of the project or placed in, on or about the project or other public space;
2. Artist fees, design, planning and predesign service contracts and commissions;
3. Expenses for technical assistance provided by either architects or engineers, or both, and to artists in order to design, document or certify the artwork;
4. Repair and maintenance of public artworks accessioned into the county's public art collection to the extent permissible under generally accepted accounting principles, grants, contracts and law;
5. Public art program administrative expenses relating to acquiring, developing or maintaining public art to the extent permissible under generally accepted accounting principles, grants, contracts and law;
6. Participation by citizens or costs of communicating with and receiving input from citizens, working with professional artists, introduction of public art to children, and education of the public about the county's rich cultural and artistic heritage;
7. Documentation and public education material for the public art program;
8. Liability insurance for artists; and
9. Pilot projects approved by the cultural development authority. (Ord. 18684 § 17, 2018: Ord. 17527 § 56, 2013: Ord. 14482 § 58, 2002: Ord. 12089 § 9, 1995. Formerly K.C.C. 2.46.070).

**4.40.025 Inclusion of public art requirements in grants to other agencies.**

Funds that are distributed by the county to another agency for eligible capital improvement project with an estimated construction budget of two hundred fifty thousand dollars or more shall include a requirement for inclusion of public art. The public art shall be identified by the receiving agency and evaluated by the cultural development authority during the planning process to assure compliance by the receiving agency. (Ord. 14482 § 59, 2002: Ord. 12089 § 12, 1995. Formerly K.C.C. 2.46.100).

**4.40.110 General obligation bond proceeds.** In the case of any county construction project that meets the eligibility criteria for public art established in K.C.C. 4.40.015 that involves the use of general obligation bond proceeds, the resolution, resolutions, ordinance or ordinances submitted to the voters or the council shall include an allocation for public art equal to one percent of the eligible project cost. Bond revenues for public art shall be transferred to the cultural development authority as described in K.C.C. 4.40.015 to the extent consistent with arbitrage requirements and other legal restrictions, Except as otherwise provided in K.C.C. 2.49.170. (Ord. 18684 § 18, 2018: Ord. 17527 § 57, 2013: Ord. 14482 § 61, 2002: Ord. 12089 § 15, 1995: Ord. 9538 § 4, 1990: Ord. 9134 § 12, 1989: Ord. 6111 § 8, 1982).

**4.40.120 Harborview Medical Center capital reserves.** For any public art funds which involve the use of Harborview Medical Center's capital reserves (Fund 396), amounts for works of art described in this chapter shall be used for art projects at Harborview Medical Center. These funds shall be accounted for separately by the cultural development authority if necessary to comply with this requirement. (Ord. 14482 § 62, 2002: Ord. 12089 § 16, 1995: Ord. 9538 § 5, 1990: Ord. 9134 § 13, 1989).

**4.44 TAX TITLE PROPERTY SALES**

**Sections:**

- 4.44.010 Authority to sell county tax title property.
- 4.44.020 Facilities management division duties for tax title property sales – notice – exceptions – approval by ordinance for certain sales.

**4.44.010 Authority to sell county tax title property.** The council has determined that it is in the best interest of the county to return to the tax rolls as soon as possible tracts of land acquired by the county for lack of other bidders at a tax foreclosure sale that are held in trust for the taxing districts. Those tracts of land are “tax title lands” under chapter 36.35 RCW, and for the purposes of this chapter shall be referred to as “tax title property.” In the furtherance of this determination, the council authorizes the facilities management division of the department of executive services to conduct sales of all county tax title property in accordance with this chapter and chapter 36.35 RCW, and approves all such sales. (Ord. 18603 § 1, 2017: Ord. 14199 § 87, 2001: Ord. 12076 § 50, 1995).

**4.44.020 Facilities management division duties for tax title property sales – notice – exceptions – approval by ordinance for certain sales.**

A. Before selling tax title property, the facilities management division shall fix the unit or units in which the property will be sold, the minimum price for each of the units, and whether the sale will be for cash or whether a contract will be offered. The facilities management division may not, without the approval of the council by ordinance, reserve from a sale coal, oil, gas, gravel, minerals, ores, fossils, timber or other resources on or in a tax title property, and the right to mine for and remove the same.

B. Except in cases where the sale is to be by direct negotiation as provided in subsection C. of this section, the facilities management division must publish once a week for at least three consecutive weeks a notice of the sale of the property in a newspaper of general circulation in the county. The notice must describe the property to be sold, the unit or units, the reservations, if any, and the minimum price, together with the time and place and terms of sale, in the same manner as foreclosure sales as provided in RCW 84.64.080. The facilities management division may sell tax title property through public auction sale by electronic media in the same manner as authorized for a county treasurer under RCW 36.16.145.

C. The facilities management division may dispose of tax title property by private negotiation, without a call for bids, for not less than the principal amount of the unpaid taxes in any of the following cases:

1. When the sale is to any governmental agency and for public purposes;
2. When the facilities management division determines that it is not practical to build on the property due to the physical characteristics of the property or legal restrictions on construction activities on the property;
3. When the property has an assessed value of less than five hundred dollars and the property is sold to an adjoining landowner; or
4. When no acceptable bids were received at the attempted public auction of the property, if the sale is made within twelve months from the date of the attempted auction.

D. Approval of the council by ordinance is required before the facilities management division may sell tax title property for more than five hundred thousand dollars. After 2017, the monetary amount in this subsection shall be adjusted annually on January 1 based on the U.S. Department of Labor, Bureau of Labor Statistics Consumer January through December Price Index for All Urban Consumers for the Seattle-Tacoma-Bremerton Statistical Metropolitan Area for the preceding year. (Ord. 18603 § 2, 2017).

## **4.56 REAL AND PERSONAL PROPERTY**

**Sections:**

- 4.56.010 Fair market rental value defined.
- 4.56.020 Property sale authorized generally.

- 4.56.030 Inventory documentation and surplus personal property sales procedures.
- 4.56.035 Accountability for county personal property.
- 4.56.040 Sales of personal property - value exceeding five thousand dollars.
- 4.56.050 Responsibilities and powers.
- 4.56.060 Real property – responsibilities.
- 4.56.070 Facilities management division, county departments - responsibilities and powers in declaring county real property surplus.
- 4.56.075 Financial investment properties.
- 4.56.080 Sale of surplus real property - council approval required.
- 4.56.085 Public/private development projects on or with county property.
- 4.56.090 Notice of sale.
- 4.56.095 Emergency waiver of advertisement.
- 4.56.100 Sale of property - public auction or sealed bid.
- 4.56.103 Electronic equipment sales by county - functioning and good working order required.
- 4.56.105 Distribution during budget process.
- 4.56.110 Cash sales of personal property.
- 4.56.115 Easements - temporary and permanent easements on county property - approval by ordinance - fees.
- 4.56.120 Property trade-ins.
- 4.56.130 Disposition of sale proceeds.
- 4.56.140 Intergovernmental sales and leases of real property.
- 4.56.150 Authority to lease or rent county real property.
- 4.56.152 Acquisition of real property.
- 4.56.160 Manner of awarding lease or rental agreement.
- 4.56.170 Applications for lease.
- 4.56.180 Lease terms.
- 4.56.186 Leasing real property for use by the county.
- 4.56.190 Execution of lease agreement.
- 4.56.192 Harborview Medical Center – leasing agent – approval of leases by executive – exemptions.
- 4.56.195 Disposition of surplus vanpool vehicles from the metropolitan public transportation function by negotiated direct sales.
- 4.56.200 Reservation of powers.
- 4.56.250 Exemption - sales of emission credits offsets or allowances or renewable energy certificates, credits, benefits, environmental air quality credits and similar rights, title or interests held by county in unique circumstances - executive negotiation and council approval required.
- 4.56.300 Fleet standards - annual identification and transmittal.

**4.56.010 Fair market rental value defined.** "Fair market rental value" is defined as an amount in the competitive market that a well-informed and willing lessor, who desires but is not required to lease, would accept, and which a well-informed and willing lessee, who desires but is not required to lease, would pay for the temporary use of the premises, after due consideration of all the elements reasonably affecting value. (Ord. 2622 § 2, 1976).

**4.56.020 Property sale authorized generally.**

A. Whenever it is for the best interests of King County and the people thereof that any part or parcel of property, whether real, personal or mixed, belonging to the county,

should be sold, the county shall sell and convey the property under the limitations and restrictions and in the manner provided in this chapter.

B. In making the sales, the county may sell any timber, mineral or other resources on any land owned by the county separate and apart from the land in the same manner and upon the same terms and conditions as provided in this chapter for the sale of real property. However, any such timber, mineral or other resources not exceeding twenty-five hundred dollars in value may be sold as personal property, in the manner provided by this chapter. (Ord. 18603 § 3, 2017: Ord. 2622 § 3, 1976).

**4.56.030 Inventory documentation and surplus personal property sales procedures.** The fleet services division of the department of executive services shall keep documentation of the county personal property inventory.

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

B. The personal property inventory shall include all items with a capitalization rate equal to or greater than the current capitalization threshold for equipment established in the federal Office of Management and Budget Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments. All weapons shall continue to be tracked countywide by the fleet services division, personal property section. Other below-threshold items that individual departments want to control may be managed at the department level in accordance with guidelines established by the fleet services division, personal property section.

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

D. The employees in the fleet services division who are involved in the inventorying and disposing of county personal property, as designated by the manager of the fleet services division, and members of their immediate families shall be prevented from purchasing or otherwise participating in the purchase of surplus personal property.

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

F. The fleet services division will maintain comprehensive documentation of all personal property sales, including those items specified in RCW 36.32.210, as amended, and will document each deletion or change that is made to the final property sale listing. (Ord. 18791 § 19, 2018: Ord. 16225 § 1, 2008: Ord. 14199 § 89, 2001: Ord. 12045 § 21, 1995).

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

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



B. The fleet services division shall provide a report of losses to the county council, county administrative officer and office of risk management. The report to the county council shall be transmitted with the biennial budget.

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

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

E. The fleet services division shall be the sole agency responsible for inventorying and disposing of county personal property. (Ord. 18791 § 20, 2018: Ord. 18635 § 22, 2017: Ord. 18618 § 108, 2017: Ord. 14199 § 90, 2001: Ord. 12045 § 20, 1995).

**4.56.040 Sales of personal property - value exceeding five thousand dollars.**

If the item or lot of surplus personal property carries a depreciated value of not less than five thousand dollars and not more than two hundred fifty thousand dollars in the current inventory, a survey committee will be convened to estimate the market value of an item of personal property, and the committee shall then advise the date, location and manner of sale that is likely to be the most advantageous to the county. The originating department, the manager of the fleet services division, and the director of the department of executive services are to be represented on each survey committee that is convened. When the survey committee determines that an item or lot of surplus personal property carries a depreciated value of two hundred fifty thousand dollars or more, the county executive shall not dispose of said personal property without prior approval by motion of the council. The motion approved by the council shall state concisely a description of the item or lot of surplus personal property and procedures to be followed by the executive in disposing of the personal property through sale. (Ord. 18791 § 21, 2018: Ord. 14199 § 91, 2001: Ord. 12045 § 3, 1995).

**4.56.050 Responsibilities and powers.** The managers of the fleet services and facilities management divisions shall have the responsibilities and powers assigned to their respective divisions in K.C.C. chapter 4.56, as amended. (Ord. 18791 § 22, 2018: Ord. 14199 § 92, 2001: Ord. 12045 § 2, 1995).

**4.56.060 Real property – responsibilities.**

A. Except as otherwise provided in this chapter, the facilities management division, acting under the supervision of the county administrative officer, shall be the sole organization responsible for the administrative processes of acquiring, disposing, inventorying, leasing and managing real property, the legal title of which rest in the name of the county, or which the county manages in a trust capacity.

B. Open space, trail, park, agriculture and other natural resource real properties shall be acquired by the department of natural resources and parks, unless the executive directs the facilities management division to make such acquisitions.

C. Real property and interests in real property necessary for the metropolitan public transportation and metropolitan water pollution abatement functions shall be acquired and managed by the Metro Transit department and the department of natural resources and parks, respectively, as set forth in this chapter, unless the executive directs

the facilities management division to make such acquisitions and/or manage such properties.

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

E.1. As part of the services the county provides to the King County Flood Control Zone District under an interlocal agreement, the county, acting through the facilities management division in coordination with the department of natural resources and parks, is authorized to sell or otherwise convey real property and real property interests held in the name of the county that were acquired on behalf of the district, without being subject to the other requirements of this chapter, but only if:

a. the district, by resolution, directs the county to convey to the district or named third parties those real properties or real property interests acquired by the county for the district and held in the county's name. Within the time stated in the resolution, or within sixty days of the county's receipt of a copy of the resolution, if a time is not stated in the resolution, the division should execute the conveyance document, in a form approved by the district, and transmit it to the district unless the resolution directs the conveyance document be transmitted to named third parties; or

b.(1) the district, by resolution, directs the county to sell those real properties or real property interests acquired by the county for the district and held in the county's name, with the proceeds of the sales remitted to the district. Unless otherwise directed by the district by resolution, all sales shall be made to the highest responsible bidder at public auction or by sealed bid. Within the time stated in the resolution, or within sixty days of the county's receipt of a copy of the resolution, if a time is not stated in the resolution, the division should initiate the process to sell real properties or real property interests; and

(2) not more than thirty days after bids are received, the county shall provide the district with notice of all bids received and the county's determination of the highest responsible bidder. Before closing on any sale, the county shall obtain written confirmation from the district's executive director that the district concurs in the county's determination of the highest responsible bidder.

2. The county shall provide monthly progress reports on all district-authorized conveyances or sales, including but not limited to in the case of a conveyance, the expected date of executing the conveyance documents or, in the case of a sale, the closing date. In each monthly report, if the expected date of the executing conveyance documents is delayed or the expected closing date of a sale is delayed, the county shall report to the district the reasons for the delay and the new expected date to convey or sell.

3. No later than March 31 of each year, the county shall provide to the executive director of the King County Flood Control Zone District an inventory of all real property and real property interests acquired by the county on behalf of the district and held in the name of the county. (Ord. 18777 § 14, 2018: Ord. 18227 § 1, 2016: Ord. 14199 § 93, 2001: Ord. 12394 § 1, 1996: Ord. 12045 § 4, 1995).

#### **4.56.070 Facilities management division, county departments - responsibilities and powers in declaring county real property surplus.**

A. The facilities management division shall, no later than the end of the first quarter of the calendar year, maintain and update a current inventory of all county titled real property with detailed information as to current departmental custodianship and as to the characteristics that determine its economic value and potential uses. However, all county roads shall be excluded from this section.

B. No later than April 1 of each calendar year, each department shall submit a report to the facilities management division on the status of all real property for which the

department is the custodian and include in the report any change in use or status since the previous year's report.

C. County departments shall be required to report no later than April 1 of every year to justify departmental retention of all real property for which the department is the custodian to the facilities management division.

1. If in the judgment of the facilities management division a county department cannot justify the retention of real property for which it is the custodian or if a department determines that real property is surplus to its needs, the facilities management division shall determine whether any other county department has a need for the property that is related to the provision of essential government services, including, but not limited to, services for the public health, public safety or services related to transportation, water quality, surface water or other utilities. If the property is not needed for the provision of essential government services, the facilities management division shall, except if the property is sold under K.C.C. 4.56.100.A.12., then determine if the parcel is suitable for affordable housing. If it is deemed suitable for affordable housing the county shall first attempt to make it available or use it for affordable housing in accordance with K.C.C. 4.56.085 or 4.56.100. "Suitable for affordable housing" for the purpose of this section means the parcel is located within the Urban Growth Area, zoned residential and the housing development is compatible with the neighborhood. If the property is not deemed suitable for the purposes described in this subsection C.1., then it shall be determined whether any other department has a need for the parcel.

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

3. If another department cannot demonstrate a need for the real property, the real property shall be declared surplus to the future foreseeable needs of the county and may be disposed of as set forth in this chapter.

D. The facilities management division shall review and make recommendations to the executive for uses other than the sale of surplus real property before a decision by the executive to dispose of such properties through sale. Other possible uses that shall be considered by the division in accordance with this chapter are:

1. Exchanges for other privately or publicly owned lands that meet the county's land needs;
2. Lease with necessary restrictive covenants;
3. Use by other governmental agencies;
4. Retention by the county if the parcel is classified as floodplain or slide hazard property;
5. Use by nonprofit organizations for public purposes;
6. Long-term lease or sale for on-site development of affordable housing; and
7. A sale under K.C.C. 4.56.100.A.12.

E. The facilities management division in consultation with the department of community and human services shall, no later than July 1 of each year, submit a report to the council identifying surplus county real property suitable for the development of affordable housing. "Affordable housing" for the purpose of this chapter means residential housing that is rented or owned by a person:

1. Who is from a special needs population and whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income; or
2. Who qualifies as a very low-income, low-income or moderate-income household as those terms are defined in RCW 43.63A.510.

F. A park or recreational facility located in a potential annexation area may be transferred to the city designated to annex the area in which the park or recreational facility is located without being subject to this section, but any such a transfer must require that the park or recreational facility shall be used in perpetuity for park or recreation purposes unless other equivalent lands or facilities within the county or the city are received in exchange therefore and the replacement lands or facilities are used in perpetuity for park or recreation purposes.

G. The facilities management division shall review and make recommendations to the county executive regarding the surplus of any property, property rights and rights in property that are acquired by the department of natural resources and parks in accordance with Ordinance 14699, Section 2, Ordinance 14699, Section 4, or K.C.C. 4.56.080, no more than thirty days after receiving a written notice from the department of natural resources and parks that the property is surplus to the needs of siting or constructing the Brightwater wastewater treatment plant. Upon approval by the council of an ordinance authorizing the disposal of property acquired in accordance with Ordinance 14699, Section 2, Ordinance 14699, Section 4, or K.C.C. 4.56.080, the facilities management division shall consult with the department of natural resources and parks to determine the timing for disposal of this property. (Ord. 18540 § 1, 2017: Ord. 14699 § 6, 2003: Ord. 14561 § 23, 2002: Ord. 14431 § 1, 2002: Ord. 14199 § 95, 2001: Ord. 12394 § 2, 1996: Ord. 12045 § 5, 1995).

#### **4.56.075 Financial investment properties.**

A. The facilities management division shall determine which real 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 or, in lieu of this appraisal, a value shall be established by the facilities management division.

C. Except as provided in subsection E. of this section, all properties with values of less than five hundred thousand dollars shall be revalued by the facilities management division every three years from when the initial value was established until the property is disposed of. If a property increases in value to more than \$500,000 it is subject to the provisions in subsection D. of this section.

D. All 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.

E. When existing leases provide for rental adjustments at greater than three year intervals, the reevaluations 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 shall address the following factors:

1. Current market conditions and trends which 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, in the professional judgment of the appraiser, affect the value of the property.

G. A proposal to dispose of a property in this category shall be based upon an appraisal which has been performed within the past twelve months. A 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. Properties in this category shall be disposed of in accordance with Ordinance 12045 [and] K.C.C. 4.56.100. In no case shall a 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 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 shall be evaluated by the executive for suitability to support transportation, and for each parcel that is proposed to be sold, a report containing the evaluation for transportation purposes shall be transmitted to the council with the necessary legislation authorizing disposal of the property. (Ord. 15569 § 1, 2006: Ord. 14199 § 95, 2001: Ord. 12045 § 6, 1995).

#### **4.56.080 Sales of surplus real property - council approval required.**

A. The approval of the council by ordinance is required before the executive disposing of county-titled real property through sale, the sale being recommended as a result of real property having been declared as surplus in compliance with the provisions of this chapter; though property with an apparent value of less than one hundred thousand dollars shall be excluded from this section. After 2017, the monetary amount in this subsection shall be adjusted annually on January 1 based on the U.S. Department of Labor, Bureau of Labor Statistics Consumer January through December Price Index for All Urban Consumers for the Seattle-Tacoma-Bremerton Statistical Metropolitan Area for the preceding year.

B. Before selling county-titled real property, as a result of having been declared as surplus in compliance with this chapter, with an apparent value of less than one hundred thousand dollars, the facilities management division shall be responsible for providing an email notification to the council describing the physical address, council district and apparent value of the surplus county-titled real property. The frequency of the email notification shall be determined by the facilities management division and may include multiple surplus county-titled real properties. The email and a hard copy of the email shall be sent to the clerk of the council, who shall retain the hard copy and provide an electronic copy to all councilmembers and the lead staff for the budget and fiscal management committee, or its successor. (Ord. 18603 § 4, 2017: Ord. 14699 § 7, 2003: Ord. 12045 § 7, 1995).

#### **4.56.085 Public/private development projects on or with county property.**

A. The office of business relations and economic development shall assist the department of executive services to determine the potential public/private uses of county owned real and personal property.

B. The department of executive services shall assist county departments in capital facilities planning and, in collaboration with the office of business relations and economic development, investigate the feasibility of, and when feasible, facilitate, public/private partnerships in the use of county property, in accordance with K.C.C. 4.56.070. These investigations shall include such actions as:

1. Preparing market and financial feasibility studies, holding public meetings and preparing recommendations;
2. Briefing the executive and council;
3. Soliciting developer proposals;
4. Selecting the developer;
5. Obtaining council approval;
6. Negotiating the developer agreement; and
7. Monitoring the development and use of assets.

C. The office of business relations and economic development shall provide assistance to other county departments to determine if real property or other assets may be managed for economic development purposes or administered in a manner that will provide revenue to the county. (Ord. 14561 § 24, 2002: Ord. 14199 § 96, 2001: Ord. 12394 § 3, 1996).

**4.56.090 Notice of sale.** Except as provided in paragraphs A.1 through A.6 of Section 4.56.100, when the county elects to sell property, the county shall advertise to the extent which the county deems necessary to effect an advantageous sale. Such advertising for real or personal property with a value in excess of one thousand dollars shall include publishing a notice in a legal newspaper at least once a week for two consecutive weeks, the last notice to appear no more than five days prior to the date of the auction or bid opening. An advertisement of sale of county property must particularly describe the property to be sold and designate the day, hour, and place of sale. When real property is to be sold, the advertisement of sale must contain both the street address, if available, and the legal description of the part and parcel. If real property is offered for sale on other than a cash basis, the terms must be stated in the advertisement. (Ord. 12045 § 8, 1995).

**4.56.095 Emergency waiver of advertisement.**

A. In the event of an emergency when the public interest or property of the county would suffer material injury or damage by delay, upon declaring the existence of such emergency and reciting the facts constituting the same the executive may waive the requirements of Section 4.56.090 with reference to any sale provided, that such exemption shall only apply to property having a value of less than fifty thousand dollars. The executive shall report, in detail, such emergency sale to the council within thirty days of declaring an emergency.

B. Should an emergency require the sale of property in excess of fifty thousand dollars, any such sale shall be approved by motion of the council, accompanied, if necessary, by ordinance declaring an emergency, following the executive's recommendation. The executive's recommendation shall include such statements as are necessary to fully explain the emergency. All sales of property involving an emergency circumstance shall be approved by the county executive. (Ord. 12045 § 9, 1995).

**4.56.100 Sale of property - public auction or sealed bid.**

A. All sales of real and personal property shall be made to the highest responsible bidder at public auction or by sealed bid except when:

1. County property is sold to a governmental agency;
2. The county executive has determined an emergency to exist; or the county council, by ordinance, has determined that unique circumstances make a negotiated direct sale in the best interests of the public;
3. County real property is traded for real property of similar value, or when county personal property is traded for personal property of similar value;

4. The facilities management division has determined that the county will receive a greater return on real property when it is listed and sold through a residential or commercial real estate listing service;
5. County personal property is traded in on the purchase of another article;
6. Property has been obtained by the county through the proceeds of grants or other special purpose funding from the federal or state government, wherein a specific public purpose or purposes are set forth as a condition of use for the property, that purpose or purposes to be limited to the provision of social and health services or social and health service facilities as defined in chapter 43.83D RCW, and it is deemed to be in the best interest of the county, in each instance, upon recommendation by the county executive and approval by the county council, that in order to fulfill the condition of use, the county may sell or otherwise convey the property in some other manner consistent with the condition of use; however, the county may only convey the property to private, nonprofit corporations duly organized according to the laws of the state of Washington, which nonprofit corporations are exempt from taxation under 26 U.S.C. Sec. 501(c) as amended, and which nonprofit corporations are organized for the purpose of operating social and health service facilities as defined by chapter 43.83D RCW;
7. The county property is sold for on-site development of affordable housing which provides a public benefit, provided that the developer has been selected through a request for proposals;
8. It is deemed to be in the public interest to restrict the use of the project for provision of social or health services or such other public purposes as the county deems appropriate;
9. The facilities management division for real property and the fleet services division for personal property, in consultation with the county executive and the county council, may, in the best interests of the county, donate or negotiate the sale of either county surplus personal property or real property, or both, with bona fide nonprofit organizations wherein the nonprofit organizations provide services to the poor and infirm or with other governmental agencies with whom reciprocal agreements exist. Such transactions shall be exempt from the requirements of fair market value, appraisal and public notice. Where a department has identified personal property that is appropriate for surplusing to nonprofit organizations, the department shall utilize the fleet services division to manage the surplusing process, and the fleet services division shall ensure that the personal property is in good working order, that county data and inventory tags are removed and that consistent records of donations and sales are retained. The facilities management division or fleet services division, as applicable, also may, in the best interest of the county, procure services to support King County in lieu of payment with nonprofit organizations who provide services that will benefit the public. Such transactions are based upon the recommendation of the facilities management division or fleet services division, as applicable, and the department having custodianship of the property. The facilities management division or fleet services division, as applicable, shall maintain a file of appropriate correspondence or such information that leads to a recommendation by the division to the county executive and the county council to undertake such transactions, and such information shall be available for public inspection at the facilities management division or fleet services division, as applicable. The facilities management division or fleet services division, as applicable, may also seek reimbursement from the benefiting organization for the administrative costs of processing the surplus property;
10. The county property is a retired passenger van being made available in accordance with subsection E. of this section;
11. The county property is located in a historic preservation district within the Urban Growth Area and is sold to a nonprofit corporation or governmental entity for one-

site mixed use development consistent with historic preservation requirements, which includes affordable housing and which may also include market rate housing, retail or other uses, and which is selected after a competitive request for proposal process; or

12.a. The county property is declared surplus to the future foreseeable needs of the county and sold to a governmental agency that will, consistent with Section 230.10.10 of the King County Charter, other applicable laws, regulations and contract restrictions, such as grant funding requirements, compensate the county for the real property as well as provide public benefits. For the purposes of this subsection, "public benefits" means benefits to the public that are in addition to the public benefit that may arise from the primary intended use of the property by the purchasing governmental agency and which may include, but are not limited to, the provision of affordable housing, open space or park land, child care facilities, public art beyond what is required under applicable law, or monetary contribution toward such benefits.

b. A sale shall not qualify under the exception in K.C.C. 4.56.100.A.12.a. unless:

(1) before declaring the property surplus to the future foreseeable needs of the county under K.C.C. 4.56.070, because the property is neither necessary for the essential government services of any other county department nor needed by any other county department, the facilities management division must have recommended to the executive that engaging in a negotiated direct sale with that governmental agency would be in the best interests of the public; and

(2) within sixty days of the facilities management division making its recommendation, the executive shall report by letter the executive's intent to engage in the direct negotiation for the conveyance of the real property. The letter shall describe the proposed terms of the sale, including, but not limited to, the primary intended use of the property proposed by the governmental agency and the public benefits expected to be provided by the governmental agency. The letter shall be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and the lead staff to the budget and fiscal management committee or its successor.

c. Subsection A.12.b of this section shall apply beginning January 1, 2018.

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

C. In any conveyance of real property that requires construction of affordable housing in development of the property, the executive shall include covenants so that:

1. At least with respect to that construction, the prevailing rate of wage, as defined in RCW 39.12.010, shall be required to be paid to all worker classifications for which the state Department of Labor and Industries has established a prevailing rate of wage; and

2. At least with respect to that construction, state-certified apprentices for construction shall be required to be used across the trades, including women, at-risk youth or people of color, with a fifteen percent apprentice utilization goal.

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

E. Each year, the Metro transit department shall make available retired passenger vans for exclusive use by nonprofit organizations or local governments that are able to address the mobility needs of low-income, elderly or young people or people with disabilities. Each agency selected to receive a van must enter into an agreement with King County that provides that the agency will accept the van "as is" without



guarantee or warranty expressed or implied and shall transfer title as prescribed by law before use. The council shall allocate the vans by motion to nonprofit organizations or local governments based upon the following criteria:

1. Demonstrated capacity to support ongoing van operation, including assured funding for licensing, insuring, fueling and maintaining the van;
2. Ability to provide qualified and trained drivers;
3. Specific plans for use of the van to transport low-income, elderly or young people or people with disabilities, and assurance that the use shall be available to those persons without regard to affiliation with any particular organization;
4. Geographic distribution of the van allocations in order to address the mobility needs of low-income, elderly or young people or people with disabilities countywide; and
5. Ability to support county's public transportation function by reducing single occupancy vehicle trips, pollution and traffic congestion; supplementing services provided by the county's paratransit system and increasing the mobility for the transit-dependent for whom regular transit might not always be a convenient option. (Ord. 18791 § 23, 2018: Ord. 18777 § 15, 2018: Ord. 18540 § 3, 2017: Ord. 17085 § 3, 2011: Ord. 16659 § 1, 2009: Ord. 15546 § 2, 2006: Ord. 15044 § 3, 2004: Ord. 14199 § 97, 2001: Ord. 12989 § 1, 1998: Ord. 12394 § 4, 1996: Ord. 12045 § 10, 1995).

**4.56.103 Electronic equipment sales by county - functioning and good working order required.** In any sale by the county of electronic equipment, including, but not limited to, monitors, televisions, central processing units, circuit boards, power supplies, laptop computers, peripherals, video cassette recorders, digital video discs, cables, keyboards, mice, fax machines, printers, cell phones, telephones and stereos, the equipment shall be functioning and in good working order. (Ord. 17085 § 1, 2011).

**4.56.105 Distribution during budget process.** K.C.C. 4.56.100A.9 shall not preclude the council from directing the distribution of surplus real and/or personal property during the county's annual budget process. (12989 § 3, 1998).

**4.56.110 Cash sales of personal property.** Sales of personal property must be for cash, certified check or cashier's check, except when it is transferred to a governmental agency, traded in on the purchase of another article, or traded for another article of similar value. (Ord. 2622 § 12, 1976).

**4.56.115 Easements - temporary and permanent easements on county property - approved by ordinance - fees.**

A. The executive is authorized to execute utility easements, bills of sale or related documents necessary for the installation, operation and maintenance of utilities to county property, provided that the documents are reviewed and approved by the custodial department or agency and the real estate services section of the facilities management division. Temporary and permanent easements for utility purposes other than service to county property may be granted by the executive if the easements will not interfere with or hinder the use of the property by the custodial department or agency though the utility easements that exceed fifty thousand dollars in value shall be subject to prior approval by ordinance. Any other permanent easements granted by the county shall be subject to prior approval by ordinance when the value of the easement would exceed fifty thousand dollars. A party requesting a new easement, amended easement or easement transfer shall pay an easement application fee as set forth in K.C.C. 4A.675.010. The fee is for reimbursement to the real estate services section for the administrative costs and expenses incurred in the processing the easement application. The easement application

fee is payable at the time the easement is requested from the real estate services section. The easement application fee and other fees are not refundable, even if the application is disapproved or not executed by the applicant. In addition, the real estate services section shall have the authority to require applicants to reimburse the real estate services section for the actual costs and all expenses incurred by the real estate services section as a result of the grant, issuance, renewal or amendment of an easement, to the extent the costs exceed the costs of processing the easement application recovered by the applications fee. The payment of actual costs balances shall be made at the time of the easement issuance.

B. The executive is authorized to relinquish any easements granted to the county which are determined to be surplus to the county's foreseeable needs or to trade an easement for real property or easements of a similar nature and value, though relinquishments of easements where the county spent more than fifty thousand dollars in their acquisition shall be subject to prior approval by ordinance. (Ord. 17691 § 1, 2013: Ord. 17515 § 3, 2013: Ord. 16295 § 2, 2008: 14199 § 98, 2001: Ord. 12045 § 11, 1995).

#### **4.56.120 Property trade-ins.**

A. King County may trade in property belonging to the county or to any taxing district within King County when purchasing other property. If the county elects to trade in property, it shall include in its call for bids on the property to be purchased a notice that the county has for sale or trade-in property of a specified type, description and quantity which will be sold or traded in on the same day and hour that the bids on the property to be purchased are opened. Any bidder may include in its offer to sell, an offer to accept the designated county property in trade by setting forth in the bid the amount of such allowance.

B. In determining the lowest and best bid, the county shall consider the net cost to the county after trade-in allowances have been deducted. The county may accept the bid of any bidder without trade-in of the county property, but may not require any such bidder to purchase the county property without awarding the bidder the purchase contract. Nothing in this section shall bar anyone from making an offer for the purchase of the used equipment independent of a bid on the new equipment, and the county shall consider such offers in relation to the trade-in allowances offered to determine the net best sale and purchase combination for the county. (Ord. 2622 § 13, 1975).

#### **4.56.130 Disposition of sale proceeds.**

A. The county organizations responsible for conducting sales shall be reimbursed for advertising, postage and selling fees, if any, from the proceeds of the sale. The manager of the finance and business operations division is authorized to establish such funds and accounts necessary to deposit sale proceeds until final disposition. The balance of the proceeds shall be deposited into the proper county fund or account, as directed by the facilities management division, the fleet services division or the county council, as applicable.

B. In no case shall the title be transferred until the purchase price has been fully paid. (Ord. 18791 § 224, 2018: Ord. 18404 § 2, 2016: Ord. 14260 § 1, 2001: Ord. 14199 § 99, 2001: Ord. 12045 § 12, 1995).

#### **4.56.140 Intergovernmental sales and leases of real property.**

A. The county may dispose of or lease county real property to another governmental agency and may acquire property for the county from another governmental agency by negotiation, upon such terms as may be agreed upon and for such consideration as may be deemed by the county to be adequate.

B. Prior to intergovernmental disposal of real property with an estimated value greater than the amount set forth in RCW 39.33.020, as amended, public notice and hearing shall be provided in accordance with such statute. (Ord. 14199 § 100, 2001: Ord. 12045 § 13, 1995).

**4.56.150 Authority to lease or rent county real property.**

A. If it appears that it is in the best interests of the county, the county may lease any county real property and its appurtenances for a year or a term of years under the limitations and restrictions and in the manner provided in this chapter.

B. The county may lease county real property and its appurtenances in accordance with subsection A of this section whether the property was acquired by tax deed under foreclosure proceedings for nonpayment of taxes or the property is held or acquired in any other manner.

C. Any lease executed under this section creates a vested interest and a contract binding upon the county and the lessee.

D. The county may enter into rental agreements for a term less than one year, including month-to-month rental agreements, on terms and conditions that are in the best interest of the county. All rental agreements for a term less than one year are subject to approval by the executive based on recommendations of the facilities management division. Rental agreements for a term less than one year are exempt from the appraisal, and notice requirements pertaining to leases for a year or more. The facilities management division shall maintain a file of appropriate correspondence or other information that leads to a recommendation by the facilities management division to the county executive to enter into such an agreement. The information shall be available for public inspection at the facilities management division for one year after termination of the tenancies.

E.1. The county may enter into agreements for the use of county property with bona fide nonprofit organizations or with another governmental agency if the property is to be used in any one or more of the following ways:

- a. for a medical training and research facility connected with a county hospital;
- or
- b. by the nonprofit organization or governmental agency for affordable housing;
  - c. by the nonprofit organization or government agency to make improvements to the county property; or
  - d. by the nonprofit organization or government agency to provide services that will benefit the public.

2. The agreements are exempt from the requirements of fair market value, appraisal and notice. The agreements are subject to the approval of the executive, based upon recommendation of the facilities management division and the department having custodianship of the property subject to the agreement. The facilities management division shall maintain a file of appropriate correspondence or other information that leads to a recommendation by the division to the county executive to enter into such an agreement. The information shall be available for public inspection at the facilities management division for one year after termination of the tenancies.

F. For rental or lease agreements for parks and recreation facilities and for rental, lease or use agreements for the Brightwater Environmental Education and Community Center as defined in K.C.C. chapter 28.84, the natural resources and parks department shall have the authorities and responsibilities specified in subsections D. and E. of this section for the facilities management division. County council approval is not required for rental or lease agreements for parks and recreational facilities with an original term of five years or less. For the purposes of this subsection, "original term" includes extensions that could be effective without county approval. Revenue derived from rentals and leases of

parks and recreation facilities shall be applied solely to parks and recreation purposes. Revenue derived from the use and rentals of the Brightwater Environmental Education and Community Center shall be applied and used for the exclusive benefit of the wastewater system. (Ord. 17586 § 2, 2013: Ord. 14509 § 35, 2002: Ord. 14199 § 101, 2001: Ord. 12394 § 5, 1996: Ord. 12045 § 14, 1995).

**4.56.152 Acquisition of real property.** In acquiring real property or interests in real property, county departments and agencies shall comply with requirements as may be established from time to time by the council and with state and federal laws and regulations as they may apply. The provisions of chapter 8.26 RCW related to acquisition and relocation assistance shall apply to such acquisitions unless for a project or program the council determines otherwise by ordinance. (Ord. 12045 § 18, 1995).

**4.56.160 Manner of awarding lease or rental agreement.**

A. Except as provided in K.C.C. 4.56.150.D. and E., and subsections D. and E. of this section, fair market rental value, as defined in K.C.C. 4.56.010, shall be the basis for all leases of county real property. All leases shall be awarded upon the best terms and conditions available to the county.

B. Except as provided in subsections D. and E. of this section, when the county authorizes a new lease, or the renewal of a lease once executed and delivered, the facilities management division shall make an appraisal of the fair market rental value of such property, and such the fair market rental value shall serve as the basis for the new lease or renewal. After the review, the manager of the facilities management division shall determine whether the new lease, or renewal of an existing lease, is to be awarded by competitive bidding or by negotiation with interested parties without bidding. New leases shall be awarded by competitive bidding unless the manager of the facilities management division determines it is advantageous to the county to negotiate without bidding. Before awarding a lease on the basis of competitive bidding, the facilities management division shall request and consider the proposed lessees' responses to the criteria listed in subsection C.1.a. through d. of this section. In the event the county negotiates the award of lease contracts, the facilities management division shall submit to the executive the reasons for recommending award through negotiation rather than competitive bidding. At the option of the executive, competitive bidding may be required. The county shall give notice of its intention to execute a lease by publishing a notice in a legal newspaper at least once a week for the term of two weeks. The notice so published shall adequately describe the property to be leased and shall contain a notice that a copy of the lease is available for public inspection at the facilities management division. The notice requirement shall not apply to leases or renewals awarded through competitive bidding or in accordance with subsections D. and E. of this section. Before awarding a lease on the basis of negotiations with interested parties without bidding, the facilities management division shall request and consider the proposed lessees' responses to the criteria listed in subsection C.1.a. through d. of this section. Every new lease, or extension, modification or renewal of a lease, once executed and delivered, shall be signed or caused to be signed by the county executive, in accordance with Section 320.20 of the King County Charter, following analysis and recommendations of the manager of the facilities management division and the county department having custodianship of the property. After awarding of the new lease, modification, extension or renewal, a copy of the instrument as executed and delivered shall be available for public inspection at the facilities management division.

C.1. When the county elects to lease its property pursuant to public bidding, the county shall advertise to the extent that the county deems necessary to effect an advantageous lease. The advertising shall include publishing a notice in a legal

newspaper at least once a week for three consecutive weeks, the last notice to appear no more than five days before the date of the auction or bid opening. When a lease of county real property is awarded through competitive bidding, the lease shall be awarded to the highest responsible bidder. However, whenever there is reason to believe that the highest acceptable bid is not the best rental obtainable, all bids may be rejected and the county may call for new bids or enter into direct negotiations to achieve the best possible rental. Each bid, with the name of the bidder, shall be recorded by the facilities management division, and each record, with the name and address of the successful bidder and the amount of the successful bid, shall, after the awarding of the lease, be open to public inspection at the facilities management division. In determining the highest responsible bidder, in addition to rental, the following responsibility criteria elements shall be given consideration:

- a. the financial responsibility of the bidder, and references therefor;
- b. the previous and existing compliance by the bidder with the terms of other leases of county real property and the laws relating thereto;
- c. the bidder's historical compliance with environmental, worker safety labor, and human trafficking laws, rules and regulations to establish that the bidder is responsible. For the purposes of this subsection, "historical compliance" means a minimum of the three years preceding the bid opening. This subsection C.1.c. shall not apply to any lease with revenue from base rent over the term of the lease and any potential extensions included in the lease of less than two hundred thousand dollars. Also, this subsection C.1.c. shall not apply to leases with individuals, businesses with fewer than ten employees, government agencies, not-for-profit organizations or utility companies, including cellular providers, or to subleases of less than two hundred thousand dollars; and
- d. such other information as may be secured relevant to the decision to award the lease.

2. The executive, when developing responsibility criteria that evaluates historical compliance with environmental, worker safety, labor and human trafficking laws, rules and regulations, may also develop criteria to use in determining the responsibility of a bidder or interested party, that evaluates the record of a bidder or interested party in providing employee benefits including an employer- or union-provided retirement plan, health benefits and either paid parental leave or paid family leave, or both.

D. If property was obtained by the county through the proceeds of grants or other special purpose funding from either the federal or state government, or both, in which a specific public purpose or purposes are set forth as a condition of use for the property, the purpose or purposes are to be limited to the provision of social and health services or social and health services facilities as defined in chapter 43.83D RCW, and upon recommendation by the county executive and approval by the county council, the facilities management division may obtain and lease out the property under such terms and conditions as are consistent with those purposes, on the condition that in the event the property is leased in accordance with this subsection, the lessee or lessees shall be limited to private, nonprofit corporations duly organized according to the laws of the state of Washington, which are exempt from taxation under 26 U.S.C. Section 501(b), as amended, and that are organized for the purpose of operating social and health services facilities as defined by chapter 43.83D RCW.

E. If the county desires to have a building for its use erected on land owned or to be acquired by the county, the facilities management division may lease the land for a reasonable rental, on the condition that the county shall lease back the building or a portion thereof for the same term as established for the land lease. The leases shall include the following provisions:

1. No part of the cost of construction of the building shall ever be or become an obligation of King County;
2. King County shall have a prior right to occupy any or all of the building upon payment of rent as agreed upon by the parties, which rent shall not exceed prevailing rates for comparable space;
3. During any time that all or any portion of the building is not required for occupancy by King County, the lessee of the land may rent the unneeded portion to suitable tenants approved by King County; and
4. Upon expiration of the leases, all buildings and improvements on the land shall become the property of King County. (Ord. 18372 § 3, 2016: Ord. 14199 § 102, 2001: Ord. 13125 § 1, 1998: Ord. 12394 § 7, 1996: Ord. 12045 § 15, 1996).

#### **4.56.170 Applications for lease.**

A. Applications to lease county real property shall be submitted to the facilities management division.

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 the application and to execute the lease, the deposit shall be forfeited to the county, and deposited in the current expense fund. (Ord. 18618 § 109, 2017: Ord. 14199 § 103, 2001: Ord. 12045 § 16, 1995).

#### **4.56.180 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. A lease shall not be for a longer term in any one instance than ten years, except as follows:

1. If the county determines it to be in the best interest of the county, 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;

2. If the county determines it to be in the best interest of the county, if 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 the property for a term not to exceed thirty-five years;

3. If the property to be leased is to be used for public recreation and police training purposes, for parks and recreation purposes, for a hospital or a medical training and research facility, for a childcare facility to be improved with full or partial funding from a government-sponsored childcare bonus program, for the county's own use in accordance with a lease or leaseback arrangement entered into under K.C.C. 4.56.160.E., for major airport, industrial, office or other commercial purposes or transit-oriented development, requiring extensive improvements or by a nonprofit organization for a facility in which the nonprofit organization will provide some or all of the social and health services as listed in RCW 43.83D.120, the county may lease the property for a term equal to the estimated useful life of the improvements, but not to exceed fifty years; unless the property is leased to a public housing authority or nonprofit organization in accordance with RCW 36.34.135, in which case the term may extend to seventy-five years; and

4. Leases entered into under K.C.C. 4.56.160.D. may extend for the period of years necessary to amortize the special purpose funds, not to exceed twenty-five years.

B. The lessee shall not improve or alter the leased property in any manner without the prior written consent of the county, but shall, before making improvements or alterations, submit plans and designs for the improvement or alteration to the county for approval. If the plans and designs are disapproved, the improvements or alterations shall be made only with such changes as may be required by the county. Unless otherwise stipulated, all improvements or alterations erected or made on the leased property shall, on expiration or sooner termination of the lease, belong to the county without compensation to the lessee, but the county shall have the option, to be exercised on expiration or sooner termination of this lease, to require the lessee to remove any or all of the improvements or alterations. If the lessee fails substantially to make the improvements or alterations required by the lease, the lease shall be terminated and all rentals paid shall be forfeited to the county.

C. Except for lease or leaseback arrangements entered into under K.C.C. 4.56.160.E., any lease made for a period longer than five years shall contain provisions requiring the lessee to permit the rents to be adjusted and fixed by the county every five years, but any lease may provide for more frequent readjustments. If the lease permits the county to adjust the rent, the county shall give the lessee written notice of the adjusted rent, in accordance with the terms of the lease. The rent as adjusted shall take effect thirty days after the date of the notice unless the lessee, within thirty days following the receipt of the notice from the county, gives the county written notice of the lessee's rejection of the adjusted rent. If the lessee and the county cannot agree upon the rental readjustment, the rent shall be adjusted by arbitration. For arbitration, the lessee and the county shall each select one disinterested arbitrator and the two selected arbitrators shall select a third. If the two arbitrators have not selected a third arbitrator within thirty days after the selection of the last selected of the two, either the lessee or the county shall apply to the presiding judge of the superior court for King County for the appointment of a third arbitrator. Each arbitrator must be a member of the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers or other appraisal society or association having equivalent ethical and professional standards. If a licensing requirement for real estate appraisers is imposed by any legislative body, each arbitrator shall also be so licensed. The three arbitrators shall determine a fair rent for the premises based upon the fair market rental value of the property, as defined in K.C.C. 4.56.010. The decision of a majority of the arbitrators shall bind both the lessee and the county. At the conclusion of the arbitration, the arbitrators shall submit written reports to the lessee and the county. The cost of the arbitration shall be divided equally between the lessee and the county.

D. Except as provided in K.C.C. 4.56.150.D. and E. and 4.56.160.D., the rent of all leases of county real property shall be based upon fair market rental value, as defined in K.C.C. 4.56.010.

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

F. Notwithstanding the other provisions of this chapter and following such procedures as may be determined appropriate by the council, the executive may enter into long-term master leases of county property under which developers: would develop the property into office and other space required or approved by the county; would lease some of space back to the county and may lease space unneeded by the county to private or public entities for private or public uses as approved by the county council; and would convey all leasehold improvements to the county at the expiration or termination of the master leases. A master lease shall be subject to approval by the council. (Ord. 17866 § 1, 2014: Ord. 16745 § 4, 2010: Ord. 14509 § 36, 2002: Ord. 13599 § 1, 1999: Ord. 13125 § 2, 1998: Ord. 12045 § 17, 1995).

**4.56.186 Leasing real property for use by the county.** The executive is authorized to lease real property for use by the county consistent with the applicable provisions of the King County Charter and K.C.C. 4A.100.070 and as may be authorized within appropriations approved by the council. In leasing real property for use by the county, the executive shall assess the needs of county departments and agencies and determine which real property best accommodates such needs. (Ord. 17929 § 72, 2014: Ord. 12045 § 19, 1995).

**4.56.190 Execution of lease agreement.**

A. Upon the decision of the county to lease the lands applied for, a lease shall be executed in duplicate to the lessee by the county executive or the executive's designee, which lease shall also be signed by the lessee. The lease shall describe the property conveyed, and the terms of payment.

B. The request for proposal or invitation to bid documents, for all new leases of real property for a term exceeding five years, must be approved by the King County council, before the advertisement and issuance of the request for proposal or invitation to bid.

C. For all leases having an original term exceeding five years, amendments that would extend the term by more than five years, increase the area leased by more than twenty percent, require construction of improvements that would cost at least fifty percent of the estimated value of the property leased or substantially change the overall use of the leased property, must be approved by the King County council before execution by the King County executive. The executive shall include in the legislative transmittal package submitted to the council a written explanation of the prospective lessee's response to the elements listed in K.C.C. 4.56.160.C.1.a. through d. (Ord. 18372 § 4, 2016: Ord. 7724, 1986: Ord. 7579, 1986: Ord. 2622 § 20, 1976).

**4.56.192 Harborview Medical Center – leasing agent – approval of leases by executive – exemptions.** For all buildings that comprise the medical center as defined in K.C.C. 2.42.010, and in accordance with the terms of the 2016 Hospital Services Agreement, as defined in in K.C.C. 2.42.010, the University of Washington shall act as the county's leasing agent and property manager for retail spaces and retail opportunities, including, but not limited to kiosks, concession stands and automated teller machines, and such other purposes that support or enhance the medical center. All leases for these purposes shall be approved and executed by the county executive or the executive's designee and shall be exempt from the requirements of K.C.C. 4.56.140, 4.56.150, 4.56.160, 4.56.170, 4.56.180 and 4.56.190. (Ord. 18233 § 6, 2016).

**4.56.195 Disposition of surplus vanpool vehicles from the metropolitan public transportation function by negotiated direct sale.** In addition to disposing of surplus vanpool vehicles from the metropolitan public transportation function by public auction or sealed bid as provided elsewhere in this chapter, the county may dispose of such vehicles by negotiated direct sale if the fleet services division determines such disposition method will likely yield higher returns to the county than the public auction or sealed bid methods.

A. The county may use the services of a broker under contract to the county to conduct such negotiated direct sales. If such sale will be conducted by a broker, the broker shall be selected and a contract awarded in accordance with the negotiated procurement policies set forth in K.C.C. chapter 2.93. The provisions of the broker contract shall include the following:

1. The broker shall provide notice to the public of the availability of the vehicles;
2. The broker shall receive a commission as negotiated with the county and set forth in the broker contract;



3. The term of the broker contract may be for greater than one year but shall not exceed three years; and

4. The county reserves the right to transfer or sell vehicles outside of the broker contract to governmental, quasi-governmental and social service agencies and other parties selected by the executive or the council, as applicable, and in the event of such transfers or sales, shall owe no commission or other payments to the broker except to the extent the broker has incurred costs related to vehicles provided to the broker but subsequently withdrawn from the broker by the county.

B. Drivers of vanpool vehicles, as consideration for driving the vehicles, shall receive a credit against the purchase price of vanpool vehicles. The credit for drivers shall not exceed one thousand dollars based on a credit of twenty dollars for each month as a driver. The director of the Metro transit department shall determine the credit earned by each driver and submit such determination to the manager of the fleet services division. (Ord. 18791 § 25, 2018: Ord. 18777 § 16, 2018: Ord. 14199 § 104, 2001: Ord. 12192 § 1, 1996).

**4.56.200 Reservation of powers.** King County reserves all powers now or hereafter granted to counties by RCW Chapter 36.34. (Ord. 2622 § 21, 1976).

**4.56.250 Exemption - sales of emission credits offsets or allowances or renewable energy certificates, credits, benefits, environmental air quality credits and similar rights, title or interests held by county in unique circumstances - executive negotiation and council approval required.** Sales of rights, title or interests in emissions credits, offsets or allowances or renewable energy certificates, credits, benefits, environmental air quality credits and any similar rights, title or interests held by the county are exempt from the real and personal property requirements of this chapter when unique circumstances are present. Such sales may be made in the best interests of the public to a person or entity through a direct agreement negotiated by the county executive and approved by the county council. (Ord. 17022 § 2, 2011).

**4.56.300 Fleet standards - annual identification and transmittal.**

A. The fleet services division shall annually identify countywide fleet standards for cars, trucks, sport utility vehicles and other nonrevenue vehicles. These standards shall apply to fleets managed by the Metro transit department as well as the fleet services, solid waste and airport divisions, and shall be developed as follows:

1. The fleet managers of the Metro transit department as well as the fleet services, solid waste and airport divisions shall annually review the inventory of cars, trucks, sport utility vehicles and any other nonrevenue vehicles identified to be replaced in the coming year. The fleet managers shall assign a standard for each class of vehicle. If a vehicle meeting the standard is not available through an existing procurement contract, the fleet managers shall collaborate to determine the best method of procurement of the vehicle;

2. To the extent practicable, the original equipment manufacturer's recommended routine maintenance schedules, as specified by the use of the vehicle, shall be adhered to for all nonrevenue county fleet vehicles. Fleet managers may, at their discretion, document and adjust the frequency of routine service intervals where a deviation from the recommended routine maintenance schedule is indicated due to factors including, but not limited to, vehicle age, mileage, service hours or operating environment;

3.a. Vehicle replacement cycles shall, to the extent practicable, be consistent for each class of vehicle. The optimal mileage at which each class of vehicle should be replaced shall be established by the fleet managers using criteria such as purchase price, depreciation and maintenance costs. All county fleets will apply the same criteria to establish the optimal mileage and the maximum life cycle.

b. Fleet managers shall prepare an alternative fuel technology vehicle integration plan, describing necessary and appropriate steps towards the successful integration of alternative fuel vehicles into the county fleets. Plan elements may include:

(1) a description of the challenges and barriers that alternative fuel vehicles may encounter in efforts to integrate them into the county fleet;

(2) a description of opportunities for such vehicles in service to county government transportation needs;

(3) identification and a specific timeline for ascertainment of needed planning and analytical information in support of plan preparation, including:

(a) vehicle maintenance and repair histories, and related information that will support development of appropriate vehicle life cycle replacement standards; and

(b) vehicle utilization data;

(4) a summary of appropriate steps needed to integrate such vehicles into the county fleet; and

(5) other elements;

4. The countywide fleet standards shall be evaluated by county fleet managers biannually, to coincide with the biennial budget cycle, and updated if needed; and

5. The manager of the fleet services division shall have lead responsibility for facilitating the biannual evaluation of countywide fleet standards.

B. The executive shall annually transmit an electronic copy and one paper copy of the King County fleet standards to the clerk of the council by August 31 for distribution to all councilmembers and the lead staff for the transportation, economy and environment committee, or its successor. The report shall include:

1. Vehicle types for purchase for standard passenger cars, trucks and sport utility vehicles for the next calendar year;

2. Standard maintenance schedules for routine safety and service work for each type of vehicle; and

3. Vehicle life including both optimal mileage and maximum life cycle for vehicle replacement planning. (Ord. 18791 § 26, 2018: Ord. 18777 § 17, 2018: Ord. 17671 § 1, 2013: Ord. 17390 § 1, 2012).

#### **4.57 CONCESSION CONTRACTS FOR RECREATIONAL FACILITIES**

##### **Sections:**

4.57.005 Definitions.

4.57.010 Authorization to negotiate and enter into contracts, general authority.

4.57.020 Terms of contract.

4.57.030 Maintenance and capital improvements.

4.57.040 Compliance with laws and regulations.

4.57.050 Prices and fees.

4.57.060 Public use of facility.

4.57.070 Insurance.

4.57.080 Indemnity and hold harmless.

4.57.090 Limited provision.

**4.57.005 Definitions.** For the purposes of this chapter, unless the context clearly requires otherwise:

A. The definitions in K.C.C. 7.01.010 apply; and

B. "Concessionaire" means a person who has entered into a concession contract with the county. (Ord. 14509 § 37, 2002).

**4.57.010 Authorization to negotiate and enter into contracts, general authority.** The executive or the director of the department of natural resources and parks, if designated by the executive may on behalf of the county negotiate and enter into concession contracts with any person. The contract should provide that the person receiving the concession has the primary responsibility for operating, managing and maintaining any facility used during the term of the contract. (Ord. 14509 § 38, 2002: Ord. 14199 § 105, 2001: Ord. 12076 § 52, 1995).

**4.57.020 Terms of contract.** The county may enter into a concession contract under this chapter for a term not to exceed thirty-five years. The county council must approve any concession contract with an original term that exceeds five years. For the purpose of this section, "original term" includes extensions that could be effective without county approval.

The county shall establish a contract fee based on, among other factors, the revenue generated by the concessionaire from recreation user fees, admission fees, sales of goods and services, and other revenue sources directly related to the use of the subject property, with the goal of maximizing revenue to the county. However, the contract fee may be reduced to reflect expenditures by the concessionaire for capital improvements. In addition, the concessionaire may receive credit for the provision of recreational program scholarships to qualified participants and the sponsorship of programs and events on the premises for developmentally disabled or challenged athletes or other activities that primarily benefit the public. Revenue received under concession contracts shall be applied solely to parks and recreation purposes. (Ord. 14509 § 39, 2002: Ord. 11524 § 1 (part), 1994).

**4.57.030 Maintenance and capital improvements.** The concession contract should provide that the concessionaire shall be responsible for all ordinary and routine maintenance of any facility used during the term of the contract. Concession contracts authorized under this chapter that exceed a term of one year should include a maintenance and improvement schedule detailing the cost and schedule for maintaining any facility involved. In addition, the county and the concessionaire should agree to a cost and timing schedule of capital improvements, if any, that will be funded and implemented by the concessionaire during the term of the contract. The concessionaire shall make no alterations or improvements to or upon the premises beyond what has been established in an approved maintenance and capital improvement agreement without first obtaining written approval from King County. (Ord. 14509 § 40, 2002: Ord. 11524 § 1 (part), 1994).

**4.57.040 Compliance with laws and regulations.** In using the premises, the concessionaire shall comply with all applicable laws, ordinances and regulations, from any and all authorities having jurisdiction. The concessionaire shall agree to comply and pay for all costs associated with achieving such compliance. (Ord. 11524 § 1 (part), 1994).

**4.57.050 Prices and fees.** The fees charged by the concessionaire for recreation programs and for admission charges to recreational events shall at all times be subject to county approval and shall not exceed prices and fees generally current for similar activities in King County, with consideration given to the level of maintenance provided by the concessionaire to the site. (Ord. 11524 § 1 (part), 1994).

**4.57.060 Public use of facility.** The concession contract should provide access to the facility for public programs and events. King County or other public entity must provide reasonable advance notice to the concessionaire of their intent to use the facility for public-sponsored programs or events. These public programs and events should be scheduled

enough in advance so as to not interfere with programs which have been established by the concessionaire and advertised to the public as part of the advance programming of on-going recreation programs or special events. (Ord. 11524 § 1 (part), 1994).

**4.57.070 Insurance.** The concessionaire shall maintain in full force and effect throughout the duration of the contract terms, commercial general liability insurance in the amount sufficient to cover bodily injury and property damage. Said policy shall name King County as an additional insured. (Ord. 11524 § 1 (part), 1994).

**4.57.080 Indemnity and hold harmless.** The concessionaire shall agree to indemnify and hold King County harmless to the maximum extent possible under law for all claims, demands suits and judgments which is caused by, arises out of, or is incidental to the concessionaire's exercise of rights and privileges granted by the concession contract, except to the extent of the county's sole negligence. (Ord. 11524 § 1 (part), 1994).

**4.57.090 Limited provision.** This chapter does not affect any other King County Code provision relating to the county's authority to negotiate leases or contracts, including concession contracts, nor impair King County's authority to enter into concession agreements at King County facilities. (Ord. 14509 § 41, 2002; Ord. 11524 § 1 (part), 1994).

## **4.81 LAW LIBRARY SUPPORT**

### **Sections:**

- 4.81.010 Law library - allocation of superior court fees.
- 4.81.020 Annual report and review of library financial status.
- 4.81.030 Annual proposed Kent regional justice center law library budget.
- 4.81.040 Annual report on law library trust condition.

**4.81.010 Law library - allocation of superior court fees.** The director of the department of judicial administration is directed to allocate twenty dollars from the portion of the filing fee paid for civil filings in superior court to the credit of the King County law library as provided by RCW 27.24.070. (Ord. 15317 § 3, 2005; Ord. 12383 § 2, 1996).

**4.81.020 Annual report and review of library financial status.** On or before July 1 of each year, a report and review of law library financial status including the development of a proposed budget for the Kent regional justice center branch law library shall be prepared by the King County law library and transmitted to the superior court and the department of judicial administration for inclusion in the department of judicial administration budget submitted to the executive. The report shall include a recommendation on whether to include in the annual county budget any projected library budgetary shortfall resulting from operating costs associated with the Kent regional justice center branch law library facility. The report also shall address potential funding sources, including, but not limited to, a portion of criminal code filing fees or from the county general fund. (Ord. 15317 § 4, 2005; Ord. 12383 § 3, 1996).

**4.81.030 Annual proposed Kent regional justice center law library budget.** To assist the council in reviewing the future needs of the law library, the law library board of trustees shall continue to submit to the executive and the council a proposed Kent regional justice center law library budget with a request for supplemental funding on or before the first Monday in September each year. (Ord. 15317 § 5, 2005).

**4.81.040 Annual report on law library trust condition.** Pursuant to RCW 27.24.040, the law library board of trustees shall, on or before the first Monday in September each year, submit an annual report to the county council giving the condition of their trust with a financial report showing all receipts and disbursements of money. (Ord. 15317 § 6, 2005).