

CORRECTED - SCRIVENER'S ERROR - UPDATED PUBLICATION DATE

ORDINANCE NO. 2025-07

**AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON,
AMENDING CHAPTER 3.06 OF THE RICHLAND MUNICIPAL
CODE RELATED TO SALE OR LEASE OF CITY REAL
PROPERTY.**

WHEREAS, the City has need, from time to time, to amend the Richland Municipal Code (RMC) to align it with best practices; and

WHEREAS, Chapter 3.06 RMC, titled Sale or Lease of Real Property, was first adopted in 1984 and has remained largely unchanged over the last 40 years; and

WHEREAS, updates to Chapter 3.06 RMC are necessary to provide Richland City Council with the full array of options for sale or lease of City property consistent with those enjoyed by most municipalities in the state of Washington.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. Chapter 3.06 of the Richland Municipal Code, entitled Sale or Lease of City Real Property, as first enacted by Ordinance No. 24-84, and last amended by Ordinance No. 41-93, is hereby amended to read as follows:

**CHAPTER 3.06
SALE OR LEASE OF CITY REAL PROPERTY**

Sections:

3.06.010 Purpose – Policy – Objectives.

3.06.020 Authority.

3.06.030 Declaration of surplus.

3.06.040 Sale, ~~or~~ lease or exchange procedures.

3.06.050 Conveyance procedures.

3.06.060 Exceptions.

3.06.010 Purpose – Policy – Objectives.

A. Purpose. The purpose of this chapter is to establish policies and procedures regarding the surplus~~ing~~ and ~~the~~ sale, ~~or~~ lease or exchange of certain real property owned or otherwise controlled by the city.

B. Policy. It shall be the policy of the city to consider sale, ~~or~~ lease or exchange of real property owned or controlled by the city when such property is determined to be surplus to the needs of the city, and where it is demonstrated to the satisfaction of the city council that sale, ~~or~~ lease or exchange will best serve the public interest. For purposes of this chapter, the public interest will best be served when a transaction accomplishes one or more of the objectives listed in subsection (C) of this section.

C. Objectives. The purpose and policies of this chapter are intended to accomplish the following basic objectives, which should be achieved in a balanced manner to ensure that none are over-emphasized to the detriment of the others:

1. Stimulate ~~the~~ development of the city's economic base to provide employment opportunities and tax revenues for the city and other local taxing entities;
2. Meet ~~the~~ financial obligations resulting from prior property transactions of the city;
3. Provide capital for economic development purposes, for parkland operations (planning, acquisition, design, construction and maintenance and operation), and such other purposes as the council determines are necessary and appropriate; and
4. Provide a source of general revenue to the city over and above the tax yields from such real property.

3.06.020 Authority.

Whenever ~~it is determined by~~ the city council determines that ~~it is in~~ the best interests of the city are served by the sale, lease or exchange of ~~that~~ real property owned by the city ~~should be sold or leased~~, the council may authorize the sale, ~~or~~ lease or exchange and conveyance of such real property; upon any terms and conditions which it deems appropriate. In taking such action, the council may reserve, sell or lease mineral or other resources on any such real property separate and apart from the land in the same manner and upon the same terms and conditions as provided for in this chapter.

3.06.030 Declaration of surplus.

Prior to the sale, ~~or~~ lease or exchange of any city-owned real property, the city council shall determine that the property is excess to the present and future municipal needs of the city.

A. In making such a determination, the council shall utilize the following criteria:

1. Conformance with the city's comprehensive plan as provided in ~~RMC~~ Title 23 RMC;
2. Recommendations from the economic development ~~board~~ committee and the ~~physical~~ planning commission, and, as deemed appropriate and requested by the council, recommendations from other city boards and commissions such as the utility advisory committee ~~board~~ and/or the parks and recreation commission;
3. Input from the public at a duly advertised public hearing held by city council or any board, commission or committee providing a recommendation to city council on the proposed surplus action;
4. Recommendations within the 1973 report prepared for the council by the land sale/lease policy committee entitled, "Proposed Policy for the Sale or Lease of Excessed City Owned Property," and adopted as a guideline by council by resolution (No. 64-84); and

5. Other forms of input determined appropriate or desirable by the council.

B. If the council determines the property to be no longer necessary for present and future municipal use, it may declare by resolution the property to be surplus. Upon making such declaration of surplus, the council may also make the following determinations:

1. Whether the parcel should be sold, ~~or~~ leased or exchanged;
2. Whether special consideration should be given to abutting land owners;
3. Whether special covenants or restrictions should be placed on the real property as a condition of sale, ~~or~~ lease or exchange;
4. Whether the parcel should be sold or leased by sealed bid, auction, solicitation or direct negotiation;
5. What formality of appraisal is necessary to set the minimum acceptable price to achieve reasonable value.

C. Upon declaration of surplus by the council, the city manager or designee shall undertake disposal of the parcel(s) in accordance with the council's directives.

3.06.040 Sale, ~~or~~ lease or exchange procedures.

After surplus, sale or lease procedures disposition may occur through one of the following methods. be initiated following one of two events: a determination by the city council that economic indicators favor sale or lease or upon specific request by a firm or individual to lease or purchase city property. In determining which process to utilize, the council shall give consideration to the findings and recommendation of any board, commission or committee providing review of the proposed action. ~~the economic development board.~~

A. Disposition by Sealed Bid ~~Process~~. If the council requires the real property to be sold or leased upon competitive bids, the following procedures shall be utilized:

1. The city clerk shall give notice that the city will invite bids for purchase or lease of the property by one (1) publication in the official newspaper of the city, posting in a conspicuous place ~~in the~~ at City Hall, on the city's website, and on the subject real property, and/or such other notification or advertising determined to be appropriate. The publication and posting shall be at least 10 calendar days before the final date for submitting bids;
2. Publication and posting for bids shall particularly describe the property or portion thereof proposed to be sold or leased, shall designate the place and the time of the bids to be opened, and shall set forth any terms and minimum price, if any, established by the council;
3. Bids shall be opened in public at the time and place stated; ~~and~~

4. The council may reject any and all bids, or the bid for any one or more of the parcels included in the advertisement for bids, and reserves the right to waive any irregularities in the bid process; and:

5. If the council accepts a bid, the prevailing bidder must enter into a purchase and sale agreement and make a deposit in the amount agreed by the parties within the time specified by the city. Such deposit shall be deposited into escrow until closing on the purchase of the property, and payment of the remaining amount of the purchase price shall be made within thirty (30) days, unless otherwise agreed by the parties. In the event the prevailing bidder is unable to pay the remaining amount within the required time, the earnest money deposit shall become non-refundable and may be retained by the city as liquidated damages.

B. Disposition by Auction. If the council requires the real property to be sold by public auction, the following procedures shall be utilized:

1. The city manager or designee shall choose a qualified auction company to host the auction, and will establish a minimum bid price based on the property's estimated value;

2. Notice of the auction, a description of the property or portion thereof to be sold, the date(s) of the auction, and any other pertinent information shall be published at least once in the official newspaper of the city at least ten (10) calendar days before the auction begins. Notice will also be posted continuously on the city's website for no less than ten (10) calendar days prior to the auction and until the auction ends.

3. The city will accept the highest bid that exceeds the city's minimum bid price. If no bids are received, or if no bids exceed the city's minimum bid price, the city manager may direct disposition of the property by another method available under this chapter.

4. The prevailing bidder must immediately tender a cash deposit or certified check for deposit into escrow as earnest money in the amount of \$5,000. Payment of the remaining amount of the purchase price shall be made within thirty (30) days. In the event the purchaser is unable to pay the remaining amount within the required time, the earnest money deposit shall become nonrefundable and shall be retained by the city as liquidated damages; provided, however, that the purchaser may, at their option, deposit an additional \$5,000 extension fee, in which case their time to make full payment shall be extended for one (1) additional 60-day period. In the event full payment is not made by the conclusion of the additional 60-day period, an additional \$1,000 shall be retained by the city from the extension fee as liquidated damages relevant to the additional lost time and expense. The remainder of the extension fee shall be returned to the prevailing bidder.

~~BC. Disposition by Negotiated Sale Process.~~ The council may determine that property should be sold or leased through direct negotiations, ~~either as a result of a specific request, or as a result of city-initiated advertising or other solicitation. In either event, sale or lease consideration shall proceed as follows:~~ Where real property is sold by direct negotiation, the City and the prospective purchaser shall enter into a purchase and sale agreement which will detail, among other issues, the earnest money to be deposited for the subject parcel.

~~1. All requests shall be directed to the city manager or his designee;~~

~~2. The city manager or his designee shall schedule the request for review and consideration by the economic development board, along with a report discussing the following:~~

~~a. Status of the surplus property;~~

~~b. Whether the property should be considered for public bid offerings;~~

~~c. Whether, and for what reason(s), sale or lease would be advantageous to the city; and~~

~~d. Any other special considerations which apply to and which will aid the board in considering the request;~~

D. Disposition by Request for Proposal. Where property is sold through a process that includes a request for proposals (“RFP”), a specification document, including criteria for evaluation of applicant proposals, will be made publicly available to any person or entity desiring to submit a response. To the extent a uniquely qualified or suitable applicant is sought by the city for a specific development interest, the city may forego the RFP process in favor an a Request for Qualification (RFQ), which will follow the same process. Acceptance or rejection of responses to a Request for Proposal or a Request for Qualifications shall be in the sole discretion of the City Council.

1. Once the city selects a developer related to the property at issue, the parties will move into a contracting phase, which may include one or both of the following contract instruments: an Exclusive Negotiating Agreement (“ENA”); a Disposition and Development Agreement (“DDA”) to capture the legal rights and obligations between the selected developer(s) and the city.

E. Special Disposition. In cases where the city council determines that the public interest in a reasonable return is outweighed by the public benefit, the council may designate such real property for disposal by special disposition through any procedure authorized by law, including, but not limited to, the sale, transfer, or exchange of the property through one of the procedures outlined above, but for less than fair market value to the extent allowed by law.

F. Whenever the proposed property disposition aligns with the purpose and duties of any city board, commission or committee, including but not limited to the economic development committee, the planning commission, or the parks and recreation commission, staff will present the details of the proposed land transaction to the relevant advisory body and obtain a recommendation to present to city council for consideration.

~~3. The economic development board shall review the request and make findings, based on the policy and objectives and the criteria provided in this chapter, for the council’s consideration;~~

~~4. The council shall act on the request, with due consideration to the findings and recommendation of the economic development board and, as appropriate, other boards, commissions, or individuals.~~

3.06.050 Conveyance procedures.

Upon receipt of an acceptable bid or negotiated offer for sale or lease of city real property, the city manager or ~~his~~ designee shall submit a report and recommendation to the city council for action. The council shall proceed as follows:

A. The council may solicit additional information it deems necessary and appropriate, including input from the public at a duly advertised public hearing, prior to taking action to accept or reject any sale, ~~or~~ lease, or exchange offer.

B. Upon determination of an acceptable bid or offer, the council shall authorize the city manager to cause the necessary instruments to be prepared and executed.

C. Conveyances shall be made by quitclaim deed or statutory warranty deed as warranted by the circumstances. Copies of such conveyance instruments shall be recorded ~~filed~~ with the Benton County Auditor ~~assessor's office by the city clerk.~~

D. The title to any sold city real property shall not be transferred until the purchase price therefor has been fully paid and any applicable terms or conditions have been fully satisfied.

E. The net receipts from sold city real property, not designated for other purposes, shall be deposited into the capital improvement fund.

3.06.060 Exceptions.

This chapter shall not apply to the following dispositions of real property:

A. When selling to another governmental agency, in which event the transfer is approved by the court as provided by law; and

B. When provisions of the RCW impose conditions for the disposition of municipal property, those laws shall be treated as limited exceptions to this chapter. Exceptions include, but are not limited to, the following as they may from time to time be amended:

1. RCW 35.21.660 through 35.21.680 and 35.21.730 through 35.21.755 relating to transfers to corporations by the city;
2. Chapter 35.94 RCW relating to surplus utility property; and
3. Chapters 39.33 and 39.34 RCW relating to intergovernmental transactions.

C. Sale of properties that have been acquired by the city by means of foreclosures of real estate sales contracts or for nonpayment of LID or other assessments and whether by deed in lieu of foreclosure or by judgment of foreclosure and attendant sheriff's deed.

Section 2. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

Section 3. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

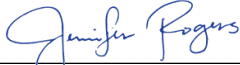
Section 4. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including but not limited to the correction of scrivener's errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the 1st day of April, 2025.



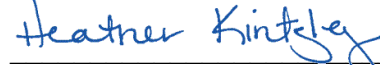
Theresa Richardson, Mayor

Attest:



Jennifer Rogers, City Clerk

Approved as to Form:



Heather Kintzley, City Attorney

First Reading: March 18, 2025

Second Reading: April 1, 2025

Date Published: ~~April 6, 2025~~ April 13, 2025