



Memorandum

TO: Land Bank Commission
FR: Lincoln Bormann, Director
RE: Process for disposal of Land Bank Property
DT: For the meeting of June 17, 2022

There are two ordinances governing the disposal of Land Bank Property. The Land Bank ordinance specifies that the Commission can recommend disposal to the Council if the “interest acquired” in the property isn’t necessary to achieve the purpose of the acquisition:

Chapter 2.120 San Juan County Land Bank

2.120.020 Definitions.

“Disposal” means the sale or trade or offering for sale or trade of real property interests acquired by the land bank commission (LBC) upon a finding by the County council, after recommendation by the LBC, that the interest acquired no longer achieves or is no longer necessary to achieve the rationale/public purpose that justified its acquisition

2.120.050 Land Bank Commission Powers and duties

A. To recommend to the County council the acquisition and/or disposal of fee and/or less-than-fee interests in conservation areas as defined in this chapter.

The Property management ordinance specifies: 1) that disposal can only occur upon a recommendation by the Land Bank Commission to the Council; 2) the means of disposal (typically the Land Bank would use a direct sale); 3) a market value requirement (or assessed value if less than \$100k); 4) a requirement for a public hearing held by Council to determine type of sale (means of disposal), and; 5) the need for a finding that the sale meets or exceeds market value:

2.104 Property Management

2.104.040 Disposal of surplus real and personal property

Whenever it appears to the County council that it is in the best interest of the County to sell or otherwise dispose of real property or personal property belonging to the County, the County shall dispose of such property in the manner provided in this chapter. Land bank property may be disposed of by sale or through

a trade, only upon a recommendation of the land bank commission and ratification by the County council in accordance with the requirements of Chapter [16.54](#) SJCC. (Ord. 27-2007 § 3; Ord. 3-2002 § 4)

2.104.050 General provisions for sale of real property.

A. Means of Disposal. County-owned real property or land bank property may be disposed of by:

1. Trade or exchange;
2. Sales:
 - a. Direct sales;
 - b. Public sales through oral or sealed bids

B. Appraisal of Real Property. Except for real property with an assessed value of less than \$100,000, prior to the disposal of any real property the respective County or land bank real estate officer shall have an appraisal prepared of the estimated fair market value for such parcel. Any property with an assessed value of less than \$100,000 may use the assessed value in lieu of an appraisal in establishing a fair market value. The County council or the land bank commission, in the case of land bank property, shall consider the appraisal and assessed value in setting the minimum acceptable price for the property.

2.104.070 Public hearing for notice of disposition of County-owned real property, personal property, or land bank property

B. Public Hearing. The County council shall hold a public hearing on the proposal to dispose of County property in accordance with RCW [36.34.040](#). In the case of land bank property a hearing shall be held only upon the recommendation of the land bank commission. After conducting the hearing, the County council shall:

1. Determine if the sale of property shall be by direct sale or public sale;
2. Proceed with a direct sale at its sole discretion under such terms and conditions it deems appropriate, provided the purchase price either meets or exceeds the fair market value of the property or complies with the provisions of SJCC [2.104.110](#).
 - a. If the County council determines that the sale shall be by direct sale, it may then either authorize the County real estate officer or the land bank real estate officer to execute all documents, or require that they be brought back to the board as an agenda item;
3. Determine that the property shall be sold at a public sale in accordance with RCW [36.34.080](#).
 - a. If the County council decides that said property shall be sold through a public sale, either by oral or sealed bid, the County council shall set a date and it shall provide notice in accordance with RCW [36.34.090](#) and [36.34.100](#).

C. Findings and Determination. Prior to execution of the sale, the County council shall adopt findings and a determination that the procedures set out in this chapter were followed including the requirement that either:

1. The sale price reflects the fair market value of the property; or
2. The conditions set out in SJCC [2.104.110](#) were met. (Ord. 27-2007 § 6; Ord. 3-2002 § 7)

2.104.100 Sale for less than estimated market value.

...In no case shall the County dispose of land bank property for less than fair market value. (Ord. 04-2021 § 2; Ord. 27-2007 § 7; Ord. 3-2002 § 10)