

Disposition of City Real Property - What's Changed and Why?

The following table describes the changes made to the draft policy in response to community and internal review and input.

What's changed	Why
I. Policy	
Added outline numbering	Added numbering to aid in navigation of policy.
II. Scope	Applies to all City Real Property
Created descriptions of three categories of properties and established which process steps apply to each	<ul style="list-style-type: none"> • Changed in response to community input that all properties should be included; • Changed in response to bureau input that even the smallest properties need to have internal review, prior to disposition, to ensure City interests are met; • Recognizes that Council must declare properties as surplus, prior to disposition (if not for a public purpose); and • Changed in response to community input asking for public notification prior to Council decision on surplus
Category 1	These are properties that were originally proposed to be completely exempt from this policy. The proposed changes make them subject to the policy, specifically to Sections A, B, and D.
Category 1 – additional property type	Added additional bullet at the request of a Council office for “properties acquired by City as part of a larger acquisition with the intention that portions not required to meet business needs would be disposed of.” These are properties that were never intended to remain in City ownership, but were necessary to acquire as part of a larger acquisition to meet a public purpose.
Category 2	These are properties owned by PHB that are disposed of for public purposes and therefore, are not declared “surplus” by the Council prior to disposition. These properties will be subject to section E to ensure City interests are met. PDC plans to adopt a similar process in order to ensure that City interests can be recorded on their properties as well. Both PDC and PHB have established processes for how they offer properties up for development to meet public purpose housing, community and economic development goals.
Category 3	All other properties.
III. A. Identification process for excess real property	Applies to Categories 1 and 3
No changes from public review draft	
<i>Section A Notes</i>	
<i>Bureau processes</i>	<i>Some community input asked for more details about the internal processes used by bureaus. Bureaus have extensive capital improvement and maintenance plans, budget processes, risk management and asset management programs that help them identify levels of service, land and asset acquisition priorities. This policy is not intended to address those steps that are at the discretion of the bureaus and their Commissioners in charge.</i>

III. B. Internal notification process for excess real property	Applies to Categories 1 and 3
“Each City bureau, shall <u>may</u> provide a written response”	Changed to recognize that not all bureaus & offices will be required to provide a response. For example, bureaus that do not manage properties (e.g. Government Relations, BOEC, etc.) should not be required to provide a response. The notice and reminder will allow all bureaus the opportunity to express interest.
Added language re: getting non-responsive bureau input	Recognizes that the City Real Property Coordinator may take additional steps to ensure getting input from the property owning bureaus.
Added language to clarify that bureaus may request additional time.	Added as clarification per internal input.
Added language to require written response from Parks, Water, PBOT, and BES.	Added language to ensure that these bureaus have received the notice and have considered acquiring the property.
Removed requirement that the ordinance be filed as “non-emergency”	Provides discretion for City Council members to file non-controversial items as emergency ordinances in order to facilitate timely disposition. Retained the requirement that ordinances be placed on the regular agenda to allow for discussion and debate.
<i>Section B Notes</i>	
<i>21 days</i>	<i>Internal stakeholders mentioned that they may need more than 21 days to complete a full assessment. Clarified with bureaus that the 21 days is the timeline for bureaus to express initial interest and/or identify the need to discuss. The process will not move on to the steps in Section C until after any internal, bureau to bureau, issues have been discussed, negotiated and resolved. The written response can be as simple as “Bureau X would like to meet to discuss,” or “Bureau X would like more time to consider.”</i>
<i>“Requirement to sell at book/historic value”</i>	<i>Community input included comments that the City is required by Accounting Administrative Rules (FIN 6.12) to offer properties to other bureaus at book value or historic value. FIN 6.12 applies to the financial reporting requirements and how the City accounts for assets in its financial records. FIN 6.12 does not require bureaus to dispose of a property at a particular price point – either internally or externally. The business decision on price and the accounting treatment of the financial transaction are two separate matters. For transactions within the City, the originating bureau and interested bureau must negotiate terms and conditions.</i>
<i>What if two bureaus are interested?</i>	<i>The policy is silent on this question and does not recommend a prioritization in advance of this becoming the case. If two bureaus were interested in acquiring the same property, the originating bureau and interested bureaus would discuss and the City Council could need to make the final decision based on Citywide needs.</i>

III. C. External notification process for excess real property	Applies to Category 3
Extended the comment period to 45 days, clarified that requirement is a “minimum” standard	Community input requested a longer timeline for review. Changed from a 30 day comment period plus possible 15 day extension, to 45 days.
Reordered the notification steps	Posting on the webpage provides the greatest amount of information to the public, allows for access to PortlandMaps and specific property information, and will provide a subscription service to “push” information out to any interested parties who want to receive notifications. This seemed to be the best “first step” of the public notification process, and will be the web address located in signage and written notifications for those seeking more information.
Added notification by mail for properties within 200 feet of the site.	Input from the community asked for mailing to not only neighborhood and business associations, but also to adjacent properties. Many suggested 150 feet (same as new demolition notification process). PPMC agreed to 200 feet.
Removed requirement to place ad in newspaper	Received consistent feedback from the community that notice in the newspaper was not as effective as other strategies. Rather than spending money to purchase advertisements, bureaus will spend resources on direct mailings to surrounding property owners.
Added Port to jurisdictions list and added that other jurisdictions may be included in the notification list.	The City Real Property Coordinator will maintain a list of interested parties. The Port of Portland has formally requested inclusion. The City will reach out to the various school districts and others suggested to determine whether they want to be included in the notification process and will update the list as needed.
<i>Section C Notes</i>	
<i>Minimum 60 days</i>	<i>With the time described in Section D for scheduling of the Council hearing, the total time available for review prior to Council is a minimum of 60 days - consistent with many suggestions received. Some suggested longer timelines in order to allow neighborhood associations to meet and vote on positions. The City is proposing notice to neighborhood and business associations as a means (in addition to the webpage, subscription notifications, site postings, and mailings) to get the word out to the public. As this is not a land use process, there is not a formal role for neighborhood associations that would require a Neighborhood Association vote to take action.</i>
<i>Notice to potential interested organizations and publications</i>	<i>Many commenters suggested additional organizations that might be interested in receiving notifications in the future. The City Real Property Coordinator will share information broadly about the City Property Web Page and the opportunity to subscribe to the notification service.</i>
<i>Web Page Contents</i>	<i>Community input asked for additional information to be made available. The web page will include direct links to PortlandMaps (which includes a wealth of information), information about the timeline, contact information, etc.</i>

Notification	Community input requested “push” notifications rather than requiring interested parties to “pull” information from the website. The webpage will be set up to allow for anyone to “subscribe” to the webpage and receive notification whenever a new property is added. In addition, we’ll encourage community organizations to use social media to help publicize.
Not a land use decision	Some comments referred to land use notification procedures and other land use requirements. To clarify, the policy establishes an administrative process that will bring more transparency with respect to the disposition of the City real properties. It is not a land use process subject to Oregon land use requirements, the Zoning Code, or the Comprehensive Plan. Any required land use decisions would be considered separately.
III. D. Declaration and disposition process for surplus real property	Applies to Category 1 and 3
Removed requirement that the ordinance be filed as “non-emergency”	Provides discretion for City Council members to file non-controversial items as emergency ordinances in order to facilitate timely disposition. Retained the requirement that ordinances be placed on the regular agenda to allow for discussion and debate.
Added additional description items to be included in ordinance	Added requirement to include a map of the property and the legal description for the property to the ordinance in response to internal and external input.
Added requirement that ordinance could not be heard by Council until at least 15 days after the Public Comment Period had ended, with a two week notification of the hearing date on the web page.	For Category 3 properties, provides assurances that a total of at least 60 days is provided from first notice and initiation of the Public Comment Period to the earliest possible date for the Council hearing. For Category 1 properties, requires a two week notice period prior to the Council hearing, following the internal review process.
If a disposition is authorized, requires including “terms and conditions determined to be reasonable by the bureau’s real property staff <u>and/or as directed by Council</u> ”	Recognizes that based on public input, the Council may also direct that certain conditions be placed on the disposition and/or that the Council may direct specific disposition processes, e.g. directing that the property be offered at a discounted price to community non-profits first and/or directing that the bureau use a licensed real estate broker for the sale. These options were suggested by commenters, but should be applied on a case by case basis, specific to the property in question.
Modified language to clarify accounting personnel role	Accounting personnel are notified to ensure accurate financial reporting (not “asset management”).
<i>Section D Notes</i>	
Who to offer the property to	Community input included suggestions for prioritizing the sale of properties to community non-profits and/or for uses that would have greater community benefits. Since each property is unique, we did not include language in the policy to prioritize, reserving this decision to the City Council, based on site-specific public input for each property that is brought forward for consideration.

<p><i>Price point</i></p>	<p><i>Public input included various suggestions for either maximizing the sales price or to offer the property at a discounted rate for worthy purposes. The policy is silent on this in order to allow for Council discretion – based on the site, any restrictions placed on the property, based on the source of funds, and based on the feedback provided during the Public Comment Period.</i></p>
<p><i>How to make the property available</i></p>	<p><i>Some commenters requested adding requirements, such as selling through a real estate broker, requiring multiple bids on a property, making available to non-profit community organizations, obtaining appraisals, using the RMLS for listing, etc. These options may be appropriate for some, but not all, properties. The policy allows for Council discretion to determine the appropriate disposal means based on the unique site characteristics of the property under consideration and feedback provided during the Public Comment Period. The terms and conditions for sale/disposal will be included in the ordinance declaring the property surplus.</i></p>
<p>III. E. Internal notification process for real properties being disposed of for public purposes</p>	<p>Applies to Category 2</p>
<p>No changes from public review draft</p>	