

City Administrative Rule XXX
Binding City Policy, Adopted by City Council

XXX Disposition of City Real Property

I. Policy

The objectives of this policy are to ensure Citywide consistency in the excess and surplus real property identification, notification and disposition process; identify a standard process of soliciting public input and feedback on real property identified by a bureau as excess to the bureau's needs before authorizing the bureau to dispose of the property; and provide opportunity for City Council to adequately consider alternative uses for excess real property.

II. Scope

This policy applies to all real property owned by the City of Portland, categorized into the following three groups:

A. Category 1

Category 1 properties are City-owned real properties to which at least one of the following descriptions applies:

1. Real properties that have an estimated market value of less than \$50,000;
2. Real properties that are being acquired by other public agencies for capital improvement projects that will not be owned by the City of Portland;
3. Real properties acquired by the City of Portland as part of a larger acquisition with the intention that portions not required to meet business needs would be disposed of;
4. Real properties that, due to their size, shape, location, utility, condition of title, or restrictions imposed upon the property by the City, are deemed by the controlling bureau to be useful only to adjacent owners; or that, due to City land use ordinances, may not be disposed of to anyone other than the adjacent property owners; or
5. Real properties that, due to deed restrictions, may not be disposed of to anyone other than the parties identified by the deed.

Bureaus seeking to dispose of Category 1 properties shall follow the processes described in Sub-Sections A, B, and D of Section III of this policy. These properties are not subject to the external notification and public comment requirements of Sub-Section C of Section III.

B. Category 2

Category 2 properties are City-owned real properties that, per the terms of City Charter, City Code, administrative rules, City Council action, or other city, state or federal regulations, may be disposed of by the City for public purposes. These properties are subject to internal review processes described in Sub-Section E of Section III of this policy, as well as any bureau-specific policies and procedures. These properties are not subject to the requirements of Sub-Sections A, B, C, or D of Section III.

C. Category 3

Category 3 properties include all other real property owned by the City of Portland and under consideration for disposition that are not otherwise included in Categories 1 and 2. Bureaus seeking to dispose of Category 3 properties shall follow the processes described in Sub-Sections A, B, C, and D of Section III of this policy.

III. Identification, Notification and Disposition Processes

A. Identification process for excess real property

1. Bureaus wishing to explore the disposition of City real property assigned to them shall conduct an internal review to evaluate the feasibility of the property being deemed excess to the bureau's needs. After the internal evaluation, if the bureau staff determine the property to be excess to the bureau's needs, bureau staff shall provide a written recommendation to the bureau director.
2. The director of the property-owning bureau shall evaluate the staff recommendation and, if in agreement, shall approve the recommendation and forward it to the Commissioner-in-Charge for evaluation.
3. The Commissioner-in-Charge shall evaluate the bureau's recommendation. If the Commissioner-in-Charge agrees, he/she shall sign the recommendation and return it to the bureau director.

B. Internal notification process for excess real property

1. The bureau's real property staff shall notify the City Real Property Coordinator (Bureau of Internal Business Services (BIBS) Director, or designee) in writing that the property has been deemed as excess, and include pertinent property information, such as the property's approximate size, zoning, a description of any known infrastructure on the site, the preliminary title report for the property, a description of any anticipated restrictions needed by City bureaus for the site (if known), bureau contact information for questions, and other relevant details.
2. Within seven calendar days of the notice, the City Real Property Coordinator shall send written notification to other City bureaus, offices and Council offices that the

property has been deemed as excess and that the property is potentially available to City agencies for acquisition. The City Real Property Coordinator shall maintain a current distribution list for making said notifications.

3. Each City bureau, office, and Council office may provide a written response within 21 calendar days indicating whether or not the bureau or office is interested in the property. If a written response is not received within the first 14 calendar days after notification, the City Real Property Coordinator shall send a reminder notice to all non-responding bureaus and offices and to the City Council Chiefs of Staff. The City Real Property Coordinator may also directly contact property managers of non-responsive property managing bureaus. Bureaus may request additional time for consideration. Portland Parks and Recreation, **the Portland Housing Bureau**, and the Bureaus of Environmental Services, Transportation and Water shall be required to provide a written response. Any other bureaus or offices not responding within the 21-day period shall be considered not interested.
 - a) If interest from another City bureau or office is received by the City Real Property Coordinator, the City Real Property Coordinator shall coordinate contact between the interested City party and the originating bureau. *A bureau may indicate interest even if funding is not currently available and may develop funding options as part of the budget process.* If terms and conditions are agreed upon between the City parties, an ordinance will be placed on the Council's regular agenda by the originating bureau. The ordinance will ask Council to designate and assign the property to the interested City party.
 - b) If no interest is received by the City Real Property Coordinator within 21 calendar days, the City Real Property Coordinator shall notify the originating bureau within seven calendar days of the end of the 21-day period and the bureau may proceed with the disposition process.
 - c) If another City bureau or office identifies required deed restrictions, property interests, easements or conditions that need to be recorded as encumbrances on the property upon sale to meet existing or planned public purposes, the City Real Property Coordinator, the originating bureau and the interested City party shall meet to agree upon terms, conditions and required restrictions to place on the property upon transfer or sale.

C. External notification process for excess real property

1. If no City bureau or office indicates interest in acquiring the real property, and the originating bureau wishes to proceed with the disposition process, the originating bureau, in coordination with the City Real Property Coordinator, shall initiate a minimum 45 calendar-day notification period to invite public comment for consideration ("Public Comment Period"). This process shall include the following steps, to be completed within two working days of commencing the first step:

- a) The City Real Property Coordinator shall list the real property on the citywide Excess Real Property web page and invite public comment. The listing shall include information provided by the originating bureau such as the dates of the Public Comment Period, the real property's size and zoning, a description of any infrastructure on the site, a description of any existing, retained or required deed restrictions, property interests, easements or conditions identified by the originating bureau or by another bureau through the internal notification process, and the contact information for the originating bureau's real property staff.
 - b) In coordination with the City Real Property Coordinator, the bureau shall place an informational sign on the real property in a reasonably visible location. The sign shall notify the public that the real property is being considered for disposition by the City and invite public comment for consideration. The City will make reasonable efforts to keep the sign posted for the duration of the Public Comment Period. Contact information for the City's Excess Real Property web page and the dates of the Public Comment Period shall be listed on the sign.
 - c) The City Real Property Coordinator shall provide written notice of the proposed disposition and the Public Comment Period to the Neighborhood Coalition, the Neighborhood Association (including the Land Use Representative of the Association, if one is identified in the Office of Neighborhood Involvement Directory) and the Business Association for the area in which the property is located, of the bureau's intent to dispose of the property. *The City Real Property Coordinator shall call the Neighborhood Coalition office if the Neighborhood Association has not responded within 30 days.*
 - d) The City Real Property Coordinator shall provide notice of the proposed disposition and the Public Comment Period by mail to property owners within 200 feet of the subject site.
 - e) **The City Real Property Coordinator shall maintain a subscription notification service to allow for any interested member of the public to sign up to receive notice of all properties posted to the web page.**
2. The City Real Property Coordinator, in coordination with the originating bureau, will notify PDC, Metro, TriMet, the Port of Portland, the county in which the real property is located, the State of Oregon (by and through the Oregon Department of Administrative Services), and any other jurisdictions that have expressed interest in being notified, that the real property is being considered for disposition by the City. In accordance with ORS 271.310, City Real Property Coordinator will also notify the Rail Division Administrator of Oregon Department of Transportation if the real property is located within 100 feet of a railroad right of way or is within 500 feet of an at-grade rail crossing.

D. Declaration and disposition process for surplus real property

1. If, after the Public Comment Period has ended, the originating bureau still wishes to declare the real property surplus, the bureau shall prepare an ordinance to be placed on the Council's regular agenda. Whenever practicable, the bureau and Commissioner in Charge shall consider proposing conditions for disposition of the real property for affordable housing, community, or open space use. The Council hearing shall be scheduled no earlier than 15 days after the Public Comment Period has ended.
2. The bureau and the City Real Property Coordinator will coordinate to update the City's Excess Real Property web page with notice of the scheduled Council hearing when the ordinance is finalized for submission two weeks in advance of the Council hearing date.
3. The ordinance must declare the real property as surplus and authorize the bureau to proceed with a disposition. The ordinance shall provide the following information:
 - a) A description of the real property or interest to be declared surplus, including a map of the property, the legal description, any background information that may impact how a property may be disposed of and any conditions, easements, restrictions, and reservations of rights to be recorded on the deed at the time of disposition;
 - b) Any proposed conditions for disposition of the real property for particular uses or by particular methods;
 - c) A summary of public comments received during the Public Comment Period, if applicable; and
 - d) The reasons why the property has been determined excess to the bureau's needs and City Council is being requested to authorize disposition of the real property.
4. If Council declares the real property to be surplus and authorizes a disposition, the bureau may proceed by offering the real property for disposition, with or without a real estate agent, for terms and conditions determined to be reasonable by the bureau's real property staff and/or as directed by Council taking into account, among other things, any appraisal, market conditions, and the condition of the property. The bureau and City Real Property Coordinator shall coordinate to update the City's Excess Real Property web page with sale or other disposition information. If a satisfactory offer is received, and terms and conditions are agreed upon by the bureau, the bureau will arrange for the disposition, as authorized by the Council ordinance.

5. At the conclusion of the real property disposition, the bureau and City Real Property Coordinator shall coordinate to update the City real property database, and notify the appropriate bureau accounting personnel for financial reporting purposes, as well as City Risk Management for insurance inventory purposes.

E. Internal notification process for real properties being disposed of for public purposes

1. The City, through its urban renewal agency, may dispose of City owned real property acquired under ORS Chapter 457, Title 42 U.S.C and City Charter Chapter 15 in order to address urban renewal, economic development and affordable housing purposes. The affordable housing responsibilities of the City's urban renewal agency have been assigned to the Portland Housing Bureau under City Ordinance No. 183903. Such dispositions are not subject to all of the real property disposition requirements above; however, prior to any notice of property/funding availability, request for development proposals and/or final disposition, the Portland Housing Bureau shall use the following process steps to allow other City bureaus or offices the opportunity to identify any existing or required deed restrictions, property interests, easements or conditions.
 - a) At the time of acquisition of real property the bureau shall coordinate with the City Real Property Coordinator to ensure that the City real property database is updated and to notify City bureaus with existing easements or property interests of the acquisition.
 - b) On occasion, but no less than annually, the bureau real property staff shall coordinate with the City Real Property Coordinator to review current property holdings to confirm or identify any existing or required deed restrictions, property interests, easements or conditions.
 - c) To the extent possible, when developing plans for disposition of real property, the bureau should coordinate with the City Real Property Coordinator and the Bureaus of Environmental Services, Transportation, and Water and Portland Parks and Recreation to identify and confirm any property interests.
 - d) The bureau's real property staff shall include the City Real Property Coordinator and the Bureaus of Environmental Services, Transportation, and Water and Portland Parks and Recreation in the distribution of any notices of property/funding availability or requests for development proposals or qualifications for real property that is subject to disposition.
 - e) If another City bureau or office, through any of these reviews, identifies any such conditions, the originating bureau and the interested City bureau shall agree upon terms, conditions and required restrictions to place on the property upon transfer or sale. The City Real Property Coordinator may participate at the invitation of either party.

2. In the event that a City bureau or office may be authorized to dispose of a real property and such disposition is not required to meet real property disposition requirements under City Charter Section 1-104, that City bureau or office will nevertheless use the “Internal Notification Process for Real Properties Being Disposed of for Public Purposes” to allow other bureaus and offices the opportunity to identify any existing or required deed restriction, property interests, easements or conditions.

IV. Responsibility

Bureau property managers shall have primary responsibility to ensure the originating bureau follows all required steps in this policy. The City Real Property Coordinator shall be responsible for maintaining an up-to-date distribution list of City contacts to be notified about potential excess property, for coordinating the update of information to the Excess Real Property web site, and for assisting the bureau property owner as needed with the process steps included in this policy. The BIBS Director, or designee, shall serve as the City Real Property Coordinator.

History

Adopted by City Council by Resolution # on DATE