

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Real Property Disposal Procedures

Meeting Date: June 22, 2016
Department: Planning and Development Department
www.eugene-or.gov

Agenda Item Number: B
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ISSUE STATEMENT

The purpose of this work session is for the council to discuss what type of notice should be provided prior to the city council considering the possible sale or lease of City-owned property. Staff will provide the council with background on the City's real property disposal procedures, followed by council discussion of minimum notice requirements as well as any other requirements – beyond those already in City Code – that the council decides should be followed before disposing of real property.

BACKGROUND

In 1987, the City Council adopted Sections 2.860 – 2.874 of the Eugene Code to govern the disposal of real property owned by the City. For purposes of these Code provisions, disposal includes the sale, lease, exchange, or donation of real property.

The Code authorizes four different types of processes for disposing of real property:

- (a) Section 2.862 governs disposition of property subject to a development plan;
- (b) Section 2.864 authorizes the City Manager to declare property surplus and then to dispose of it by competitive bid or auction;
- (c) Section 2.868 authorizes the council to dispose of real property to a governmental entity; and
- (d) Section 2.872 authorizes the City Manager, without following one of the other processes, to bring to the council for approval a proposal acceptable to the City Manager.

Each of these four types of processes is summarized below.

Section 2.862 governs disposition of property covered by a development plan. For purposes of this Code section, a development plan is a written plan approved by the council that, among other provisions, designates property for disposal. One example of such a plan is the Airport Master Plan. Under this Code section, the City Manager may use two processes to dispose of property, the first involving public notice, and the second involving private solicitation. In the first process, the

City Manager publishes notice of a public sale (which can occur by auction or written proposal) and then can accept the best bid or proposal. In the second process, the City Manager may privately solicit and negotiate proposals and once the City Manager has a proposed agreement acceptable to the City Manager, provide notice to the council with an opportunity for the council to decide to become involved.

Section 2.864 authorizes the City Manager to declare property surplus and then dispose of it. Under this process, the City Manager notifies the council of the declaration of surplus property and the general terms upon which he proposes the property be disposed. The council then has the authority to review the determination that the property is surplus and should be sold (or otherwise transferred). If the council does not choose to review the determination (or reviews and affirms it), the City Manager then may dispose of the property when an offer is received which meets or exceeds the terms contained in the notice.

Section 2.868 authorizes the council to dispose of real property to any governmental entity without notice or hearing. Unlike the other three options, this option grants to the council, rather than the City Manager, the authority, in the first instance, to decide that property should be sold (or otherwise transferred). In other words, the council does not need to wait for the City Manager to bring a proposal to the council. Instead, the council can initiate and approve a transfer so long as the transfer is to another governmental entity.

Section 2.872 provides a catchall to cover a situation that does not fall neatly into one of the other three provisions. Under Section 2.872, the City Manager can bring to the council, and the council can approve, any proposed disposition of real property that is acceptable to the City Manager.

COUNCIL OPTIONS

This is an initial work session for the council to identify whether it wants to change or add requirements before the council approves the sale or lease of City-owned property.

CITY MANAGER'S RECOMMENDATION

None for this work session.

SUGGESTED MOTION

None.

FOR MORE INFORMATION

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