

# **SURPLUS PROPERTY SALES TO ENTITIES (RCW 47.12.063)**

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Washington State  
Department of Transportation

## **Why is WSDOT submitting this Report?**

As instructed in the SUPPLEMENTAL TRANSPORTATION BUDGET Sec. 215 (1), by December 1, 2010, the department shall report to the legislative transportation committees on the individuals and entities eligible to receive surplus property provided in RCW 47.12.063 to determine the frequency with which the department transfers property to those individuals and entities and the implications to the department.

It is the intent of the legislature that the list of individuals and entities eligible to receive surplus property be periodically evaluated to determine whether the list is appropriate and provides utility to the department.

### **Sales Summary**

WSDOT has records of 169 sales in the specified category between 2005 and 2010. The implications and notes for each category are as follows:

(a) Sales to other state agencies; (2 transactions)

Implications: Though the auction process can, at times, bring in a sale price above fair market appraised value, this is a valuable opportunity to be able to sell directly to other state agencies at an appraised value without going through an auction process.

(b) Sales to the city or county in which the property is situated; (21 transactions)

Implications: Though the auction process can, at times, bring in a sale price above fair market appraised value, this is a valuable opportunity to be able to sell directly to cities or counties at an appraised fair market value without going through an auction process.

(c) Sales to any other municipal corporation; (7 transactions)

Implications: Though the auction process can, at times, bring in a sale price above fair market appraised value, this is a valuable opportunity to be able to sell directly to other municipal corporations at an appraised value without going through an auction process.

(d) Sales to regional transit authorities created under chapter 81.112 RCW; (2 transactions)

Implications: This allows WSDOT to transfer property directly to Sound Transit as a reduction in credits through the Land Bank Agreement.

(e) Sales to the former owner of the property from whom the state acquired title; (1 transaction)

Implications: WSDOT has always had the ability to sell directly to former owners. The 2010 Supplemental Transportation Budget, Sec. 215.(1) has given prior owners of property condemned within the previous ten years the right to repurchase as follows:

If the department determines that all or a portion of real property or an interest in real property that was acquired through condemnation within the previous ten years is no longer necessary for a transportation purpose, the former owner has a right of repurchase as described in this subsection. For the purposes of this subsection, "former owner" means the person or entity from whom the department acquired title. At least ninety days prior to the date on which the property is intended to be sold by the department, the department must mail notice of the planned sale to the former owner of the property at the former owner's last known address or to a forwarding address if that owner has provided the department with a forwarding address. If the former owner of the property's last known address, or forwarding address if a forwarding address has been provided, is no longer the former owner of the property's address, the right of repurchase is extinguished. If the former owner notifies the department within thirty days of the date of the notice that the former owner intends to repurchase the property, the department shall proceed with the sale of the property to the former owner for fair market value and shall not list the property for sale to other owners. If the former owner does not provide timely written notice to the department of the intent to exercise a repurchase right, or if the sale to the former owner is not completed within seven months of the date of notice that the former owner intends to repurchase the property, the right of repurchase is extinguished.

(f) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state; (0 transactions)

Implications: WSDOT is currently in the process of selling directly to a tenant.

(g) Sales to any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW [47.12.283](#); (81 transactions)

Implications: Most sales occur with abutting property owners. The value to the abutter is a higher market value than on the open market (auction) therefore this is valuable to the abutter and WSDOT. Furthermore, 47.12.063 (1) RCW states: It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas when disposing of property through its surplus property program under this section.

(h) Sales to any person through the solicitation of written bids through public advertising in the manner prescribed by RCW [47.28.050](#); (1 transaction)

Implications: This would facilitate Facilities Equal Value Exchanges.

(i) Sales to any other owner of real property required for transportation purposes; (51 transactions)

Implications: This is valuable to allow WSDOT to enter into exchanges with property owners for acquisition of property required for a transportation project.

(j) In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to very low-income, low-income, and moderate-income households as defined in RCW [43.63A.510](#) and is eligible to receive assistance through the Washington housing trust fund created in chapter [43.185](#) RCW; (2 transactions)

Implications: None at present time.

(k) Sales to a federally qualified community health center as defined in RCW [82.04.4311](#); (0 transactions)

Implications: None at present time.

(l) Sales to a federally recognized Indian tribe within whose reservation boundary the property is located. (1 transaction)

Implications: It would be valuable to maintain the ability to enter into this type of transaction.

## **Summary**

For the last 5 years, it would appear from the statistics that there is not a huge demand or continued need to sell directly to:

(f) which is stated in statute as: In the case of residentially improved property a tenant of the department who has resided thereon for not less than 6 months and who is not delinquent in paying rent to the state;

(k) A federally qualified community health center as defined in RCW 82.04.4311;

There have been very few sales to:

(e) The former owner of the property from which the state acquired title, and

(h) to any person through the solicitation of written bids through public advertising in the manner proscribed by RCW 47.28.050.

There are other choices that have been minimally used, but are important due to legislative mandate to keep surplus property in public ownership if possible. As part of RCW 43.17.400 it states: The legislature also recognizes that dispositions of state-owned land can create opportunities for counties, cities, and towns wishing to purchase or otherwise acquire the lands, and citizens wishing to enjoy the lands for recreational or other purposes

For additional information on this report, please contact:

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## **Appendix (RCW's)**

RCW 47.12.063

### Surplus real property program. (*Effective until June 30, 2012.*)

(1) It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas when disposing of property through its surplus property program under this section.

(2) Whenever the department determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for transportation purposes and that it is in the public interest to do so, the department may sell the property or exchange it in full or part consideration for land or improvements or for construction of improvements at fair market value to any of the following governmental entities or persons:

(a) Any other state agency;

(b) The city or county in which the property is situated;

(c) Any other municipal corporation;

(d) Regional transit authorities created under chapter [81.112](#) RCW;

(e) The former owner of the property from whom the state acquired title;

(f) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;

(g) Any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW [47.12.283](#);

(h) To any person through the solicitation of written bids through public advertising in the manner prescribed by RCW [47.28.050](#);

(i) To any other owner of real property required for transportation purposes;

(j) In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to very low-income, low-income, and moderate-income households as defined in RCW [43.63A.510](#) and is eligible to receive assistance through the Washington housing trust fund created in chapter [43.185](#) RCW;

(k) A federally qualified community health center as defined in RCW [82.04.4311](#); or

(l) A federally recognized Indian tribe within whose reservation boundary the property is located.

(3) Sales to purchasers may at the department's option be for cash, by real estate contract, or exchange of land or improvements. Transactions involving the construction of improvements must be conducted pursuant to chapter [47.28](#) RCW or Title [39](#) RCW, as applicable, and must comply with all other applicable laws and rules.

(4) Conveyances made pursuant to this section shall be by deed executed by the secretary of transportation and shall be duly acknowledged.

(5) Unless otherwise provided, all moneys received pursuant to the provisions of this section less any real estate broker commissions paid pursuant to RCW [47.12.320](#) shall be deposited in the motor vehicle fund.

[2010 c 157 § 1; 2006 c 17 § 2; 2002 c 255 § 1; 1999 c 210 § 1; 1993 c 461 § 11; 1988 c 135 § 1; 1983 c 3 § 125; 1977 ex.s. c 78 § 1.]

## Notes:

**Expiration date -- 2010 c 157 § 1:** "Section 1 of this act expires June 30, 2012."  
[2010 c 157 § 2.]

**Finding -- 1993 c 461:** See note following RCW [43.63A.510](#).

Proceeds from the sale of surplus real property for construction of second Tacoma Narrows bridge deposited in Tacoma Narrows toll bridge account: RCW [47.56.165](#).

RCW 47.12.063

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## RCW 47.12.080

# Sale or exchange of unused land.

The secretary of transportation may transfer and convey to the United States, its agencies or instrumentalities, to any other state agency, to any county or city or port district of this state, or to any public utility company, any unused state-owned real property under the jurisdiction of the department of transportation when, in the judgment of the secretary of transportation and the attorney general, the transfer and conveyance is consistent with public interest. Whenever the secretary makes an agreement for any such transfer or conveyance, and the attorney general concurs therein, the secretary shall execute and deliver unto the grantee a deed of conveyance, easement, or other

instrument, duly acknowledged, as shall be necessary to fulfill the terms of the aforesaid agreement. All moneys paid to the state of Washington under any of the provisions hereof shall be deposited in the motor vehicle fund.

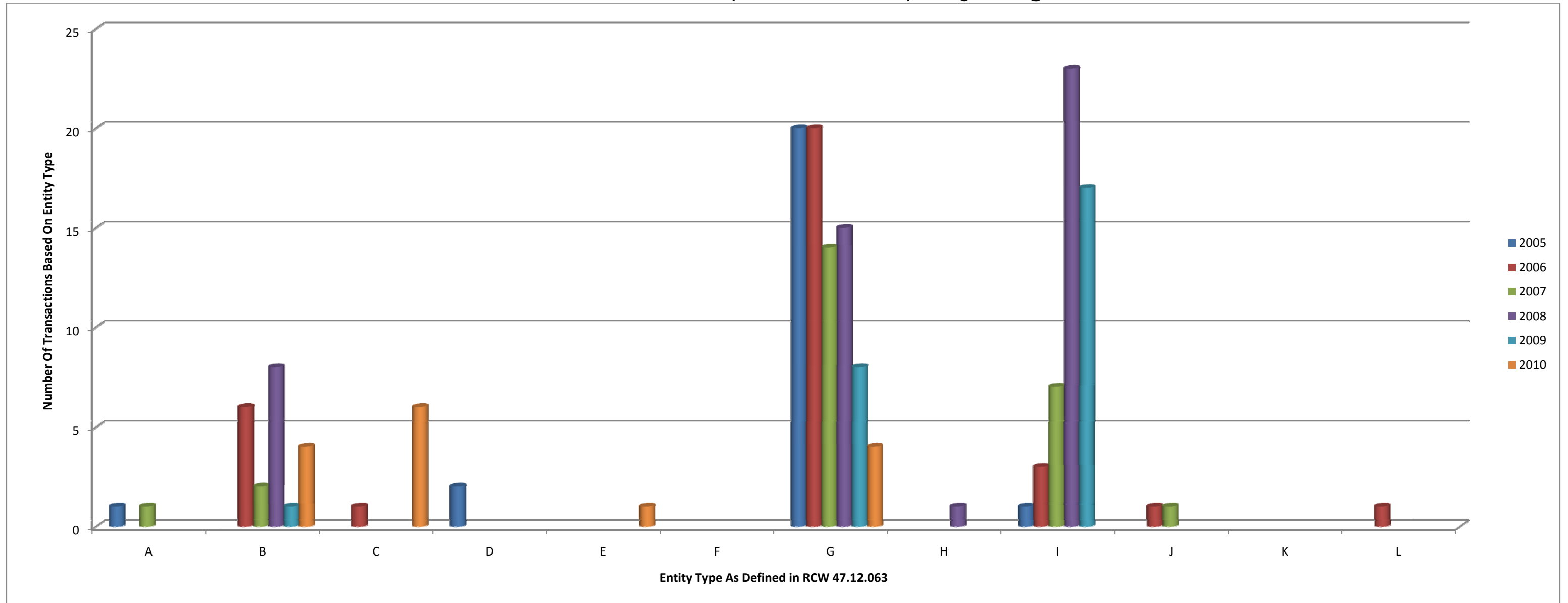
[1984 c 7 § 121. Prior: 1977 ex.s. c 151 § 49; 1977 ex.s. c 78 § 5; 1975 1st ex.s. c 96 § 3; 1961 c 13 § [47.12.080](#); prior: 1945 c 127 § 1; Rem. Supp. 1945 § 6400-120.]

Notes:

**Severability -- 1984 c 7:** See note following RCW [47.01.141](#).

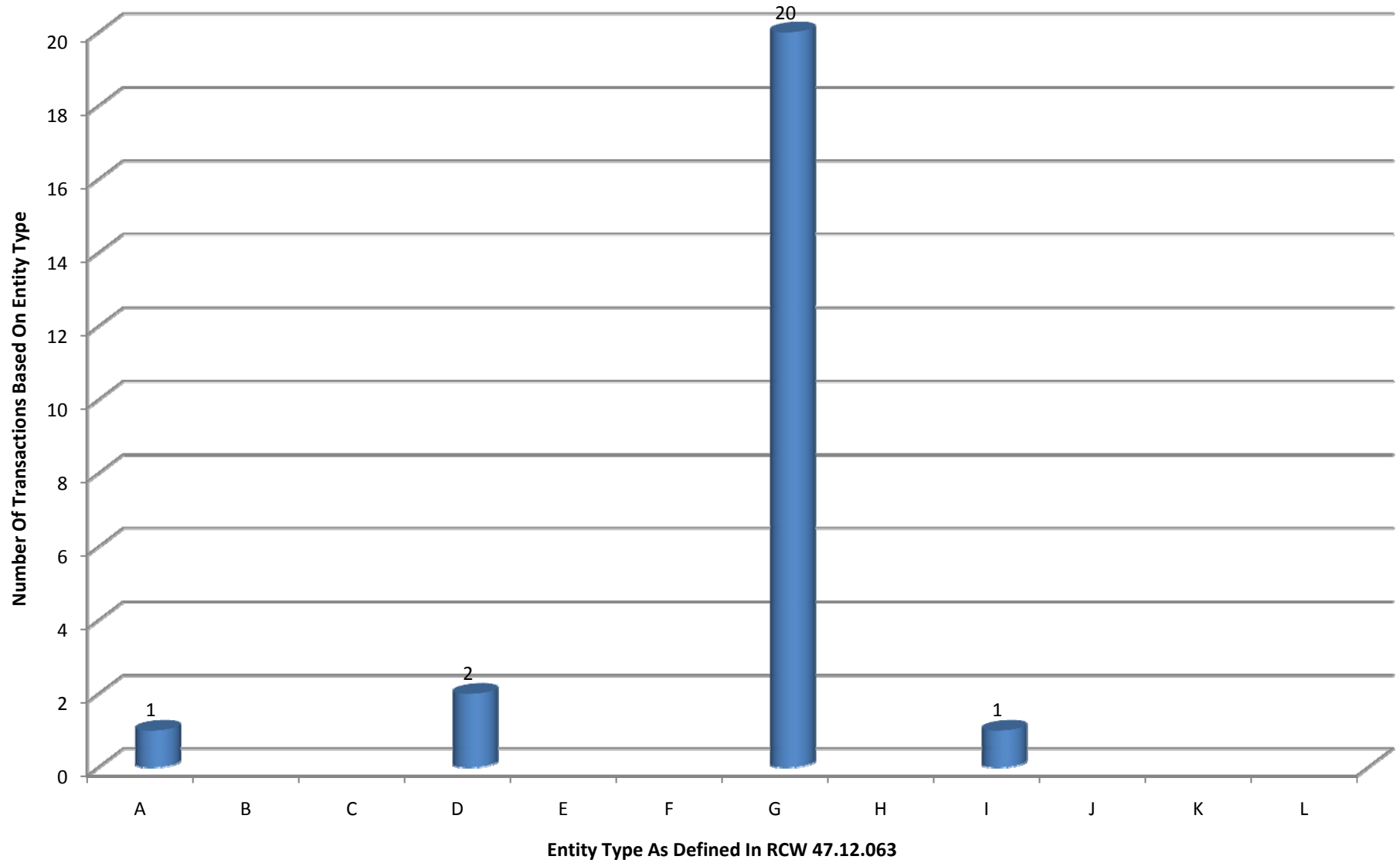


## RCW 47.12.063 - Surplus Real Property Program

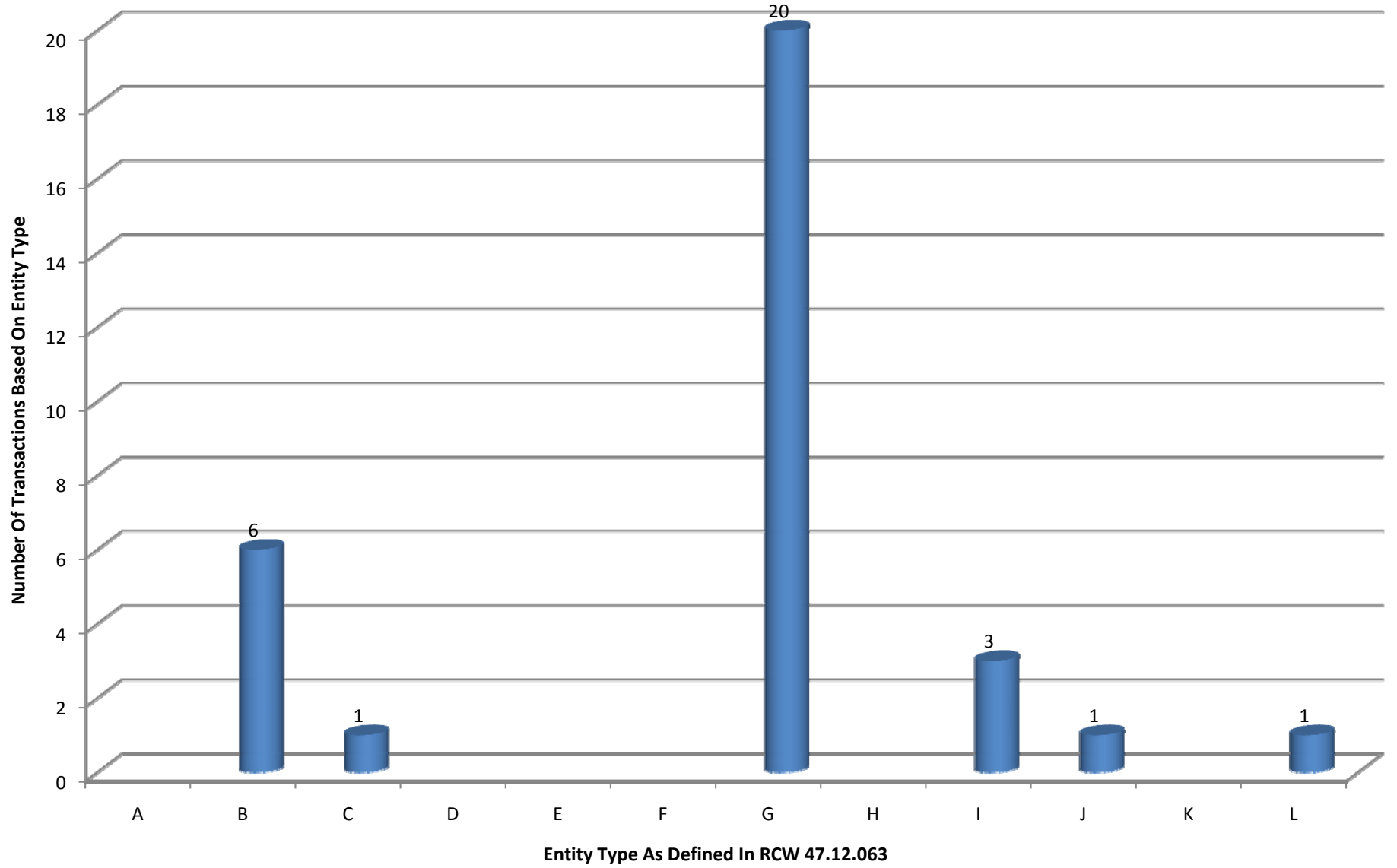


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  - (h.) To any person through the solicitation of written bids through public advertising in the manner prescribed by RCW 47.28.050 (Equivalent Value Exchange-EVE)
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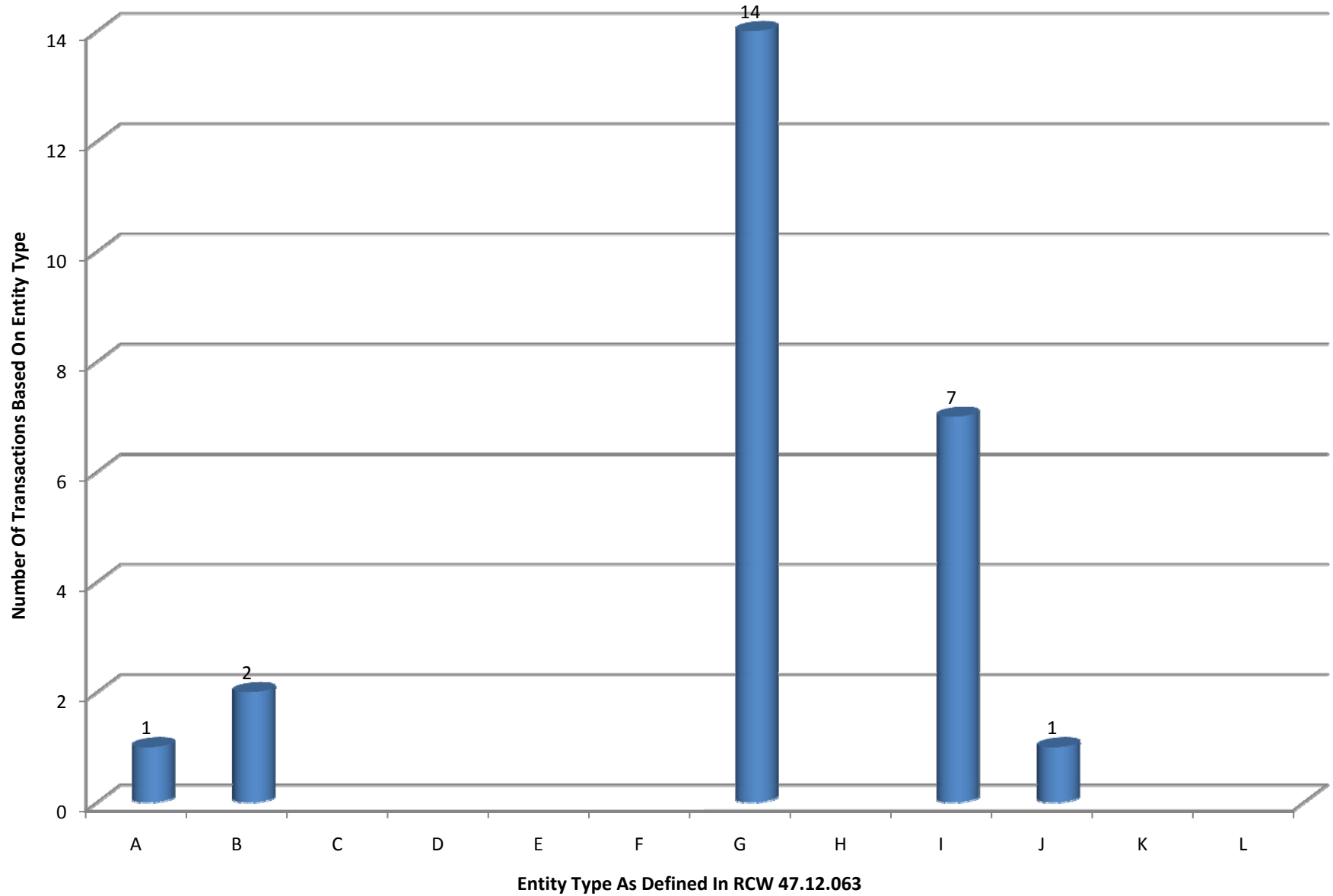
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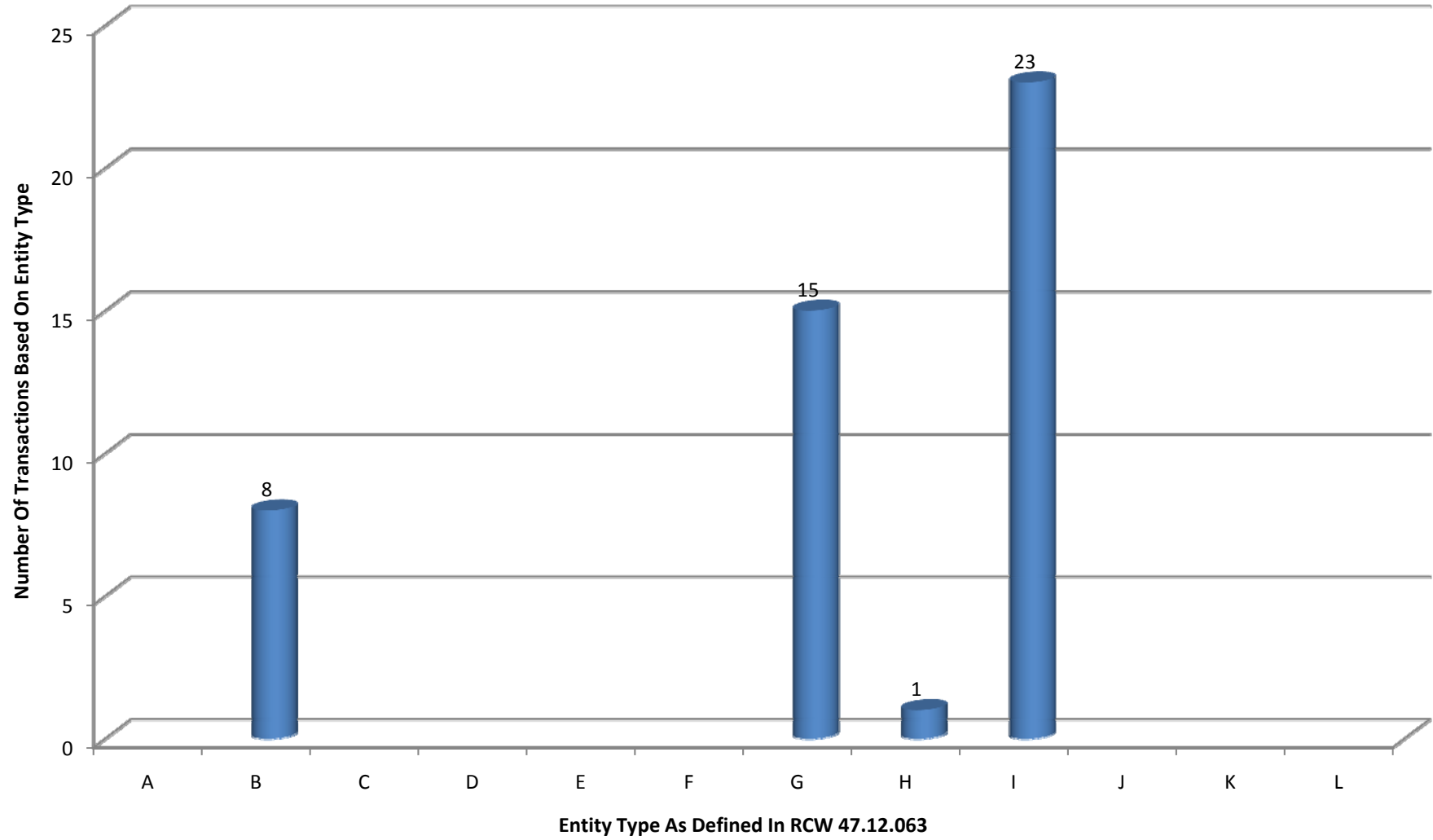
2006



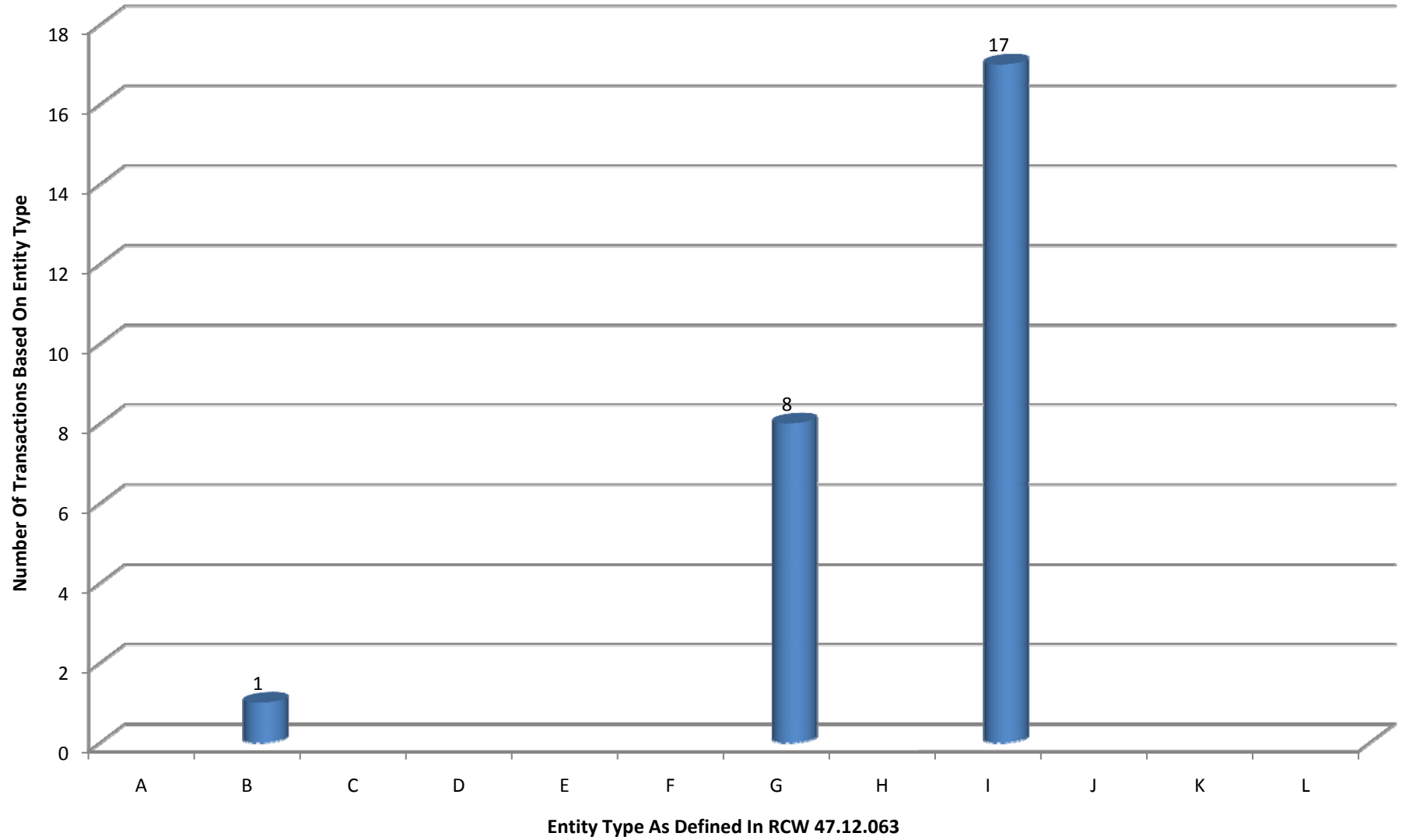
2007



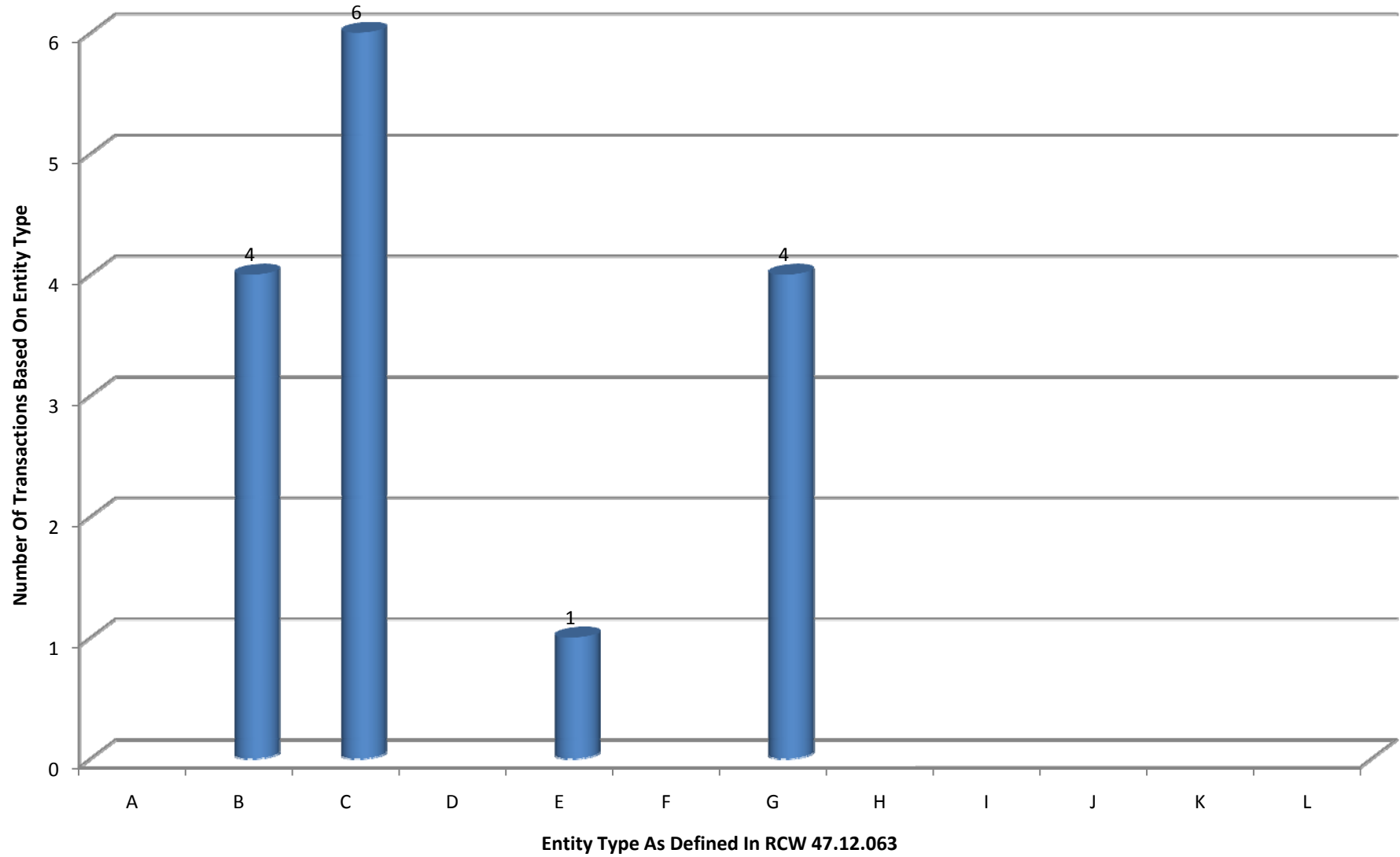
2008



2009



# 1st Half of 2010



## RCW 47.12.063 – Surplus Real Property Program

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