ADMINISTRATIVE DIRECTIVE

REAL PROPERTY: MANAGEMENT, ACQUISITION, SALE AND LEASE	NUMBER 4.02-1	PAGE 1 of 15
	EFFECTIVE DATE November 1, 2017	

I. PURPOSE

This directive summarizes procedures for acquisition, lease, management and disposition of all real property by the City of Tucson ("City"). All purchase and sale agreements, offers to sell or purchase, deeds, easement agreements, leases, utility service agreements, rights of entry, licenses, access agreements, intergovernmental agreements, development agreements, exclusive negotiation rights agreements and any other agreement or authorization concerning the use or occupancy of City-owned, possessed or controlled real property shall originate with a request to the Department of Transportation, Real Estate Division ("Real Estate Division") Administrator ("Administrator").

II. POLICY

A. The Real Estate Division is responsible for coordinating the closing of all real property transactions for the City.

B. The Real Estate Division shall initiate acquisition procedures in accordance with all applicable local, state and federal regulations and in accordance with Section V below.

C. The Real Estate Division shall make every effort to complete real property acquisitions through negotiated agreements and minimize hardship or inconvenience to owners and tenants who may be affected by the City's acquisition of real property.

D. If a negotiated settlement cannot be reached, Real Estate Division staff shall work with the City Attorney's Office to initiate and support condemnation proceedings.

E. All dispositions of City-owned real property shall be processed and/or coordinated through the Real Estate Division in accordance with all applicable local, state and federal regulations and in accordance with Section VI below.

F. Surplus real property shall be sold or exchanged at market value in accordance with Section VI below, unless otherwise directed by the Administrator with the concurrence of the City Manager or Mayor and Council.

G. Surplus real property shall be sold through a public bid process unless the Administrator determines that such property is usable only by the adjacent property owner(s), thus permitting a direct sale to the adjacent owner(s). The sale process may be revised as directed by Mayor and Council on a case by case basis.

H. When property is sold, adequate legal provision shall be made so that no property owner having legal access to the general system of streets before the sale is denied such access as a result of the sale.

I. To the extent there is a conflict between these directives and Housing and Community Development (HCD) Programs, HCD mandated operating procedures shall be

followed. In these instances, HCD staff shall collaborate with the Real Estate Division at the start of the program to outline and establish mutual operating procedures for the program's real estate transactions. Although some HCD programs/transactions may be performed under different operating procedures, the Real Estate Division shall be kept fully informed of all real estate activities in order to ensure, whenever possible, material conformance with the purposes and intent of this Directive.

III. DEFINITIONS

A. **Administrative Sales Process:** The sale of City-owned real property or rights of way with an estimated value of less than $50,000 according to the terms and conditions of the Administrative Sales Process, as defined herein and adopted by Mayor and Council on April 26, 2011, Ordinance #10892.

B. **Application Fee:** A minimum nonrefundable fee charged by the Real Estate Division for real estate service requests as defined herein and adopted by Mayor and Council on September 13, 2011, Ordinance 10928.

C. **Appraisal:** A statement prepared by a licensed or certified real estate appraiser setting forth an opinion as to the market value of real property or an interest in real property in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Arizona law.

D. **Appraisal Standards:** All appraisals completed by either a staff or an independent fee appraiser must adhere to all applicable provisions of the USPAP and the Arizona Revised Statutes (ARS).

E. **City-owned Real Property:** City-owned real property is divided into three classes:

1. Property currently in public use;

2. Property not in use, which is held in reserve for future public needs; and

3. Property not in use, which is deemed surplus to the current and future needs of the City of Tucson.

F. **Condemnation:** A means of acquiring real property interests for public purposes through legal proceedings under the government's power of eminent domain.

G. **Environmental Access Agreement:** An agreement signed by Environmental Services, the Department that controls the City asset and the Administrator by which specific use rights are granted for City-owned land or right of way for the purpose of investigating and/or remediating the release of hazardous substances and/or regulated substances by others.

H. **Extended Occupancy Agreement:** An agreement signed by the Administrator by which specific use rights are granted for City-owned land and/or improvements to another person or entity on a short term and typically month to month basis in return for a specified fee or service.

I. **Lease:** An agreement by which a possessory interest, typically exclusive, in City-owned land or improvements is granted by the City to another person or entity (or conversely, the City receives a possessory interest from another person or entity for non-City-owned property) for a specified period of time in return for a specified rental amount or service.

J. **License Agreement:** An agreement signed by the Administrator by which specific use rights on a temporary, revocable basis are granted by or to the City for limited events and activities.

K. **Market Value:** The most probable price estimated in terms of cash in United States dollars or comparable financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all the uses and purposes to which it was adapted and for which it was capable.

L. **Negotiation:** Conference or discussion to arrange for purchase, sale or lease of real property.

M. **Property Interests Noted Herein:**

1. **Fee Ownership:** Ownership of the entirety of a property, without limitation. This is the highest form of property ownership.

2. **Leasehold Ownership:** A possessory right, typically exclusive, created by virtue of a contract to occupy a property under certain terms and conditions, for a specified period of time.

3. **Easement:** A specific right or rights to use the property of another for a particular purpose, often permanent in nature, even though another party retains fee ownership of the property subject to the easement.

N. **Public Improvement Project Team:** A committee formed for the purpose of designing and/or constructing public improvements, including, but not limited to, transportation, water, environmental services, and parks and recreation projects, reasonably anticipated to require the acquisition of interests in real property not owned by the City, comprised of at least the Department Director responsible for implementing the project and his or her designees.

O. **Public Location Right of Entry for Peddlers:** A three (3) month permit with a minimum fee of $50 allowing peddlers to use City property or rights of way in accordance with the terms and conditions of the Peddlers Ordinance No. 10041, adopted by Mayor and Council on September 20, 2004 and Article II Section 7 of City Code. The Real Estate Division issues these permits only on surplus City-owned property with the signature of the Administrator and concurrence of the Department in control of the asset. Traffic Engineering issues these Rights of Entry for requests within the public right of way of the Downtown and Fourth Avenue Business Zones as defined in City Code Sections 11-36.2(a)(1) and (2), with the signature of the Transportation Director.

P. **Real Property Acquisition:** Securing an interest in real property for the City by gift, purchase, exchange, plat dedication, exaction as a condition of rezoning, annexation, or condemnation.

Q. **Review Appraisal:** A review appraisal as defined by USPAP performed by the Staff Appraiser or contract appraiser, or a desk review of an appraisal conducted by the Staff Appraiser or contract appraiser.

R. **Right of Entry:** An agreement, signed by the Administrator, allowing a limited specific use of City-owned property for a term not to exceed 12 months or conversely, a license granted to the City for entry on another's property, for a specific purpose, transferring less than a possessory interest in real estate in return for payment or services. The minimum monthly Right of Entry fee for use of City-owned property is $500. For Right of Entry requests that are associated with events that do not qualify for the City's Special Event Permit, the following charges shall apply: 1-2 days, $150; 3-5 days, $250; 5-14 days, $350, 14 days to one month, $500.

S. **Staff Appraisal:** An appraisal prepared by an appraiser employed by the City.

T. **Staff Estimate:** Estimate of sales price of an interest in City-owned real property prepared by staff through accepted processes and procedures and approved by the Administrator.

U. **Surplus Real Property:** All real property interests not currently in use or planned for use by any City department.

V. **Temporary Construction Easement (TCE):** An agreement authorizing the City to use another's property temporarily for purposes of constructing a public improvement or project signed by the Administrator.

W. **Temporary Revocable Easement (TRE)**: A revocable agreement to allow the use of City-owned property or rights of way that are not currently required for public purposes. The Administrator may sign TREs of less than $12,000 annual fees with the

concurrence of the Director of the controlling Department. TREs in excess of $12,000 annual fees must be signed by the City Manager.

X. **Utility Service Agreement:** An agreement that authorizes utility companies to enter and use City-owned land for the purpose of providing utility services to City-owned facilities and/or buildings. The Utility Service Agreement is signed by the Administrator pursuant to Resolution No. 16431 adopted October 4, 1993.

Y. **Value:** Value shall be determined pursuant to applicable law, depending upon the circumstances of the transaction.

IV. GENERAL

A. General Guidelines:

1. City Departments planning to acquire or dispose of real property or an interest in real property shall inform the Administrator, in writing, of the Department's objective, the name of the project manager, a funding source, and whether Mayor and Council has authorized said transaction(s) by adopting the appropriate resolution or ordinance, if necessary.

2. When Mayor and Council approval of a real estate transaction is sought, the requesting department shall solicit the input of the Administrator prior to requesting said approval. For certain projects requiring less than five separate acquisitions, Mayor and Council approval may be sought upon acceptance of all agreements or upon realization that condemnation efforts are required. The Administrator will advise the City Manager, on a case-by-case basis, which projects fall under this category.

3. The Real Estate Division shall maintain appropriate databases to manage the real property assets of the City.

B. Real Estate Inventory – Property Management:

1. The Real Estate Division shall maintain a current inventory of City-owned real estate interests and maintain files that provide relevant information on each property. Rights-of-way and drainage ways are not a part of this inventory.

2. The Real Estate Division shall:

   - Maintain a Geographic Information System (GIS) and an Asset Management Data Base for all City-owned real property and all interim uses requiring Leases, TREs, Rights of Entry, Utility Service Agreements and Peddler's Rights of Entry processed through the Real Estate Division.

- Inspect and/or secure City-owned real property within a reasonable time after the City obtains possessory rights to property.

- Develop lease analyses of City-owned property that is leased or to be leased, as well as for lease or potential lease of property by the City. Lease analyses of a particularly complex or sensitive nature may require staff or fee appraiser consultation or appraisal, as determined by the Administrator on a case by case basis.

- Coordinate the collection of rents and management of the Fixed Assets Inventory with the Finance Department.

C. Environmental Review:

The requesting department is responsible for requesting the Environmental Services Department (ESD) to complete the required environmental reviews. The Real Estate Division, ESD and the requesting department shall achieve consensus regarding the recommended environmental action(s) associated with the proposed transaction(s).

D. Cultural Resources:

When property is to be acquired, a Cultural Resource Clearance (CRC) is required. When property is to be sold, Real Estate Division Staff may, through the on call consultant, obtain further information for Mayor and Council consideration. All City sponsored construction projects require a CRC prior to commencement. The requesting department is responsible for ordering and performing the CRC.

V. ACQUISITION PROCEDURE

A. Pre-Acquisition Planning - Real Estate Division Participation:

At the inception of the design and/or construction of public improvement projects reasonably anticipated to require the acquisition of interests in real property not owned by the City, a Public Improvement Project Team shall be formed by the Department Head responsible for implementing the project, for the purpose of soliciting the recommendations and advice of the Real Estate Division.

B. Review of Title Status:

A title report shall be obtained for all property to be purchased. Purchases shall be by Warranty Deed unless otherwise approved by the City Attorney's Office.

C. Environmental and Cultural Review:

1. Property to be purchased shall be reviewed through an environmental analysis sufficient to gain the approval of the ESD and entitle the City to an innocent purchaser status under Federal Environmental Law.

2. Property to be purchased is required to have CRC as outlined above in Section IV, D.

D. **Real Estate Division Administrator Initial Review:**

The Administrator or, in the Administrator's discretion, his or her designee, shall determine the propriety of each acquisition contemplated prior to the valuation process.

E. **Appraisal of Property:**

Property proposed to be acquired by the City with an initially-estimated value in excess of $10,000 shall be appraised by an independent fee appraiser or by a staff appraiser to determine market value. When acquiring property from another governmental agency, this appraisal requirement may be waived at the discretion of the Administrator.

F. **Establishment of Maximum Purchase Price:**

1. **By Administrative Estimate:** The Administrator shall have the option of selecting a nominal value of up to $10,000 for parcels initially estimated to be worth from $1 to $10,000 (and in some cases up to $25,000 in accordance with 49 CFR 24.7 and 24.102), substantiated by an estimate performed by a staff appraiser or contract appraiser based upon appropriate data to be retained in the file (Valuation Waiver).

2. **By Appraisal:** An appraisal, as defined in Section II, of scope sufficient to satisfy applicable law must be completed for parcels valued in excess of $10,000, unless the Administrator causes a Valuation Waiver to be prepared, as provided above.

G. **Negotiations for Acquisition:**

1. When negotiations have culminated in an agreement, Real Estate Division staff shall present and obtain a written contract. A Summary Statement of Just Compensation shall be presented to the property owner if the acquisition is precedent to or in lieu of condemnation. Offers made under the threat of condemnation shall be at no less than the approved appraised value.

2. Property offered to the City voluntarily such as through the Advanced Acquisition Program, and other Mayor and Council directed actions, may be

acquired at a negotiated price to be approved by Mayor and Council or through Administrative Settlement as provided herein.

Nothing in this AD shall be interpreted as waiving any regulation including and not limited to provisions of the Uniform Relocation Act which require the acquiring agency to appraise and establish a just compensation value for property being acquired by the agency. Conversely, nothing in this AD shall prevent a person or entity, after being informed of their right to just compensation, from waiving all or a part of the established just compensation and making a gift or donation of real property.

H. Administrative Settlement:

In certain instances, when a property owner or authorized representative has rejected the City's offer and has made a counteroffer, a determination may be made by the Administrator, in conjunction with City management and with the City Attorney's advice and consent where appropriate, to acquire the property through an administrative settlement rather than condemnation. The general criteria for such determination will be that the administrative settlement acquisition will cost the City less than the anticipated result of condemnation litigation, and that the determination is in the best interests of the City. This determination should be deemed appropriate upon advice of the City Attorney's office and take into account legal requirements of just compensation beyond that measured by appraised market value. All relevant factors concerning the acquisition should be considered in making the determination of Administrative Settlement.

I. Administrative Settlement Authority:

Administrative Settlement Authority is provided to the Administrator, in conjunction with City management on the advice of the City Attorney's office, in accordance with the Legal Advisory Standards for Administrative Settlements in Anticipation of Litigation, which standards shall be uniformly applied.

J. Escrow Process:

Once a settlement to acquire property has been reached, the City may open an escrow with a title company selected from a list of acceptable escrow companies. The City shall pay all escrow fees directly related to the acquisition, unless otherwise agreed upon by all parties.

VI. SALE PROCEDURE

A. Circularization of Proposed Surplus Property Sales and Exchanges:

The Real Estate Division shall circulate for comments to all appropriate City Departments, utility companies, and any other interested entities, all proposed

property sales, leases or exchanges. All comments shall be considered and evaluated prior to final action. If the comments provide no substantial reason to retain the property, the Real Estate Division will declare the property surplus to the City's needs and will notify all involved or affected departments of the declaration.

B. Review of the Title Status:

Real Estate Division staff shall perform a review to establish the status of title for all property to be sold, unless otherwise noted herein. A preliminary title report may be obtained for this purpose.

1. Where title to City-owned real estate is not clear, the City Attorney's Office may begin legal proceedings to clear title, or the property may be sold with questionable title. If the property is sold with questionable title, a written acknowledgment from the purchaser, specifying the title question and the purchaser's awareness and acceptance of said title question shall be obtained and kept as a permanent record of the City.

2. A Special Warranty Deed may be used to convey title to City property. However, no stated warranties shall be given in the cases of questionable title, in sales of vacated right of way, or in sales of property valued at or below $50,000 pursuant to the Administrative Sales Process. In these cases a form of deed other than a Warranty Deed shall be issued, unless authorized by the Administrator and approved by the City Attorney's office.

C. Real Estate Division Administrator Initial Review:

The Administrator will determine the propriety of each disposition contemplated prior to the valuation process and seek the guidance of the Staff Appraiser and/or an independent fee consultant when the disposition is deemed to be sensitive or complex in nature.

D. Valuation Process - Appraisal of Property:

City-owned Property proposed to be sold that has an estimated sales price of between $1 and $50,000, established by a Staff Estimate does not require an appraisal report. A licensed or certified staff or independent fee appraiser shall appraise City-owned property with an estimated value of $50,000 or more. At the discretion of the Administrator, two appraisals may be performed on property when the proposed sale is particularly sensitive or complex in nature.

E. Establishment of Minimum Sales Price:

1. **By Administrative Process:** The Administrator shall have the option of selecting a minimum/nominal sales price between $500 and $5,000 for parcels

determined by Staff to be worth less than $5,000, substantiated by appropriate data to be retained in the file. The Staff estimate, unless an appraisal is elected, shall set the minimum sales price of property between $5,000 and $50,000.

2. **By Appraisal:** An appraisal and a review appraisal, as defined in Section II, of scope sufficient to satisfy applicable law must be completed for parcels estimated to exceed a value of $50,000, unless approved by the City Manager and presented to Mayor and Council.

3. **Credits and Advances:** On all sales that require appraisal or survey services (boundary, ALTA, environmental, and archeological), the applicant may be required to front the cost of such services in the form of an advance and may, at the Administrator's discretion, recover all or part of the cost thereof as a credit against the purchase price at the time of closing. If no sale is consummated, no refund of the advance will be made to the applicant. In order to receive a credit, the sale must not be the result of an encroachment and the applicant must close the transaction within one year from the date the City established the value of the parcel. Except as to the allowable credit provided for in the Application, no reimbursement or credit shall be given for the non-refundable application fee and in no event shall the City reimburse or credit advances that exceed the purchase price of the parcel.

F. **General Sale Procedures:**

1. **Properties determined not to be independently developable or marketable:** Arrangements for the sale of these properties shall be made by the Real Estate Division staff to adjacent property owner(s) at the established minimum sales price in accordance with Section VI, E above.

2. **Properties determined to be independently developable or marketable:** These properties will be advertised at least twice in local newspapers, with requests for offers on a given date no less than thirty (30) days or more than three hundred sixty-five (365) days after first publication. Bids will be submitted per the advertised instructions.

G. **Acceptance or Rejection of Offers:**

Staff shall recommend to the City Manager's Office acceptance of the offer that is most advantageous to the City. If the City Manager's Office elects to forward an offer to Mayor and Council for consideration, the Mayor and Council shall be given a reasonable time to accept or reject the offer.

In the event that no acceptable offers are received, the Real Estate Division shall re-advertise the property at the same or at a reduced minimum sale price, subject to prior approval of the Real Estate Administrator.

H. Apportionment of Sales Costs:

The City may offer to pay a brokerage fee up to 7%, under certain limiting conditions, and may pay title insurance costs, half the escrow fees, and other applicable seller's costs on real estate sales, at the discretion of the Administrator.

I. Mayor and Council Authorization:

The sale of surplus real property shall be authorized by an Ordinance passed by the Mayor and Council provided, however, that sales of City-owned property estimated by Staff to have a value of $50,000 or less (or in the case of an exchange a net cash boot of $50,000 or less) may be processed by the Administrator and completed administratively as authorized by Ordinance #10892, adopted by Mayor and Council on April 26, 2011. The abandonment of certain easements and restrictions by the City has been pre-authorized by Ordinance #8537 adopted by the Mayor and Council on July 10, 1995.

J. Exceptions:

The Study Session items adopted by Mayor and Council November 7, 1994 and June 19, 1995 provide the Real Estate Division with direction relating to undeveloped right of way requested to be vacated and redeveloped. These items are commonly referred to as the "Paper Plat Process" and are not required to be valued and conveyed as outlined by this AD.

Notwithstanding these rules and regulations, the Mayor and Council may elect to transfer, sell, dispose of, and convey title to real property by other legal methods.

VII. LEASE OF CITY-OWNED PROPERTY

A. General Provisions:

Charter amendments approved by the Mayor and Council September 5, 1989 allow for the direct lease of City-owned property without competitive bids if Mayor and Council determine that such a lease is in the best interest of the public. In the absence of such a determination, the lease of City-owned property shall be performed by a competitive bid in response to a public solicitation.

The Real Estate Division will coordinate all lease activities in accordance with the Leasing Policy adopted in Study Session by Mayor and Council February 14, 1994 with certain provisions being updated and restated in Ordinance #10892, adopted by Mayor and Council on April 26, 2011. The Real Estate Division shall perform lease

analyses for lease of City-owned property as well as for lease of privately-owned property by the City. Lease analysis may require staff or independent fee appraiser consultation or appraisal, to be determined on a case-by-case basis by the Administrator.

B. Existing Occupants of Purchased Property:

1. Commercial entities occupying property at the time of City purchase under threat of condemnation or in lieu of condemnation are permitted to extend their occupancy of the property on a short term month-to-month basis under an Extended Occupancy Agreement signed by the Administrator. The fee for such extended occupancies shall be 50% of the fair market lease rate for six (6) months and at the prevailing market rate thereafter.

2. Residential occupants at the time of City purchase under threat of condemnation or in lieu of condemnation may extend their occupancy of the property on a short term month to month basis at no cost for the first 90 days under an Extended Occupancy Agreement signed by the Administrator. The City Manager may authorize an occupancy fee at a percentage of the prevailing market lease rate or a nominal rate thereafter. The City Manager or designee may execute an Extended Occupancy Agreement in these instances.

3. When property purchased by the City under threat of condemnation is vacant or occupied by a non-profit agency at the time of purchase, and not immediately needed for a public improvement, the property may be leased, or in the case of an existing non-profit occupant, occupied through an Extended Occupancy Agreement as described in the following sections.

C. Lease of Improved Residential Properties:

1. Unless otherwise directed by the City Manager, the Housing and Community Development Department (HCD) shall have the first opportunity to use unoccupied City-owned residential property for its family rental programs.

2. Property that is found to be unsuitable for use in the HCD family rental programs will be made available by the HCD for lease at market rates to a private or governmental entity in the best interest of the City.

3. Property that is not leased at market rate will be advertised by HCD as available to legally established non-profit human services agencies. Agencies interested in using the property will be asked to submit a proposal describing their intended use of the property and proposed rental rate. Only proposals for lease at a rate greater than or equal to 10% of the market lease rate and no less than $250/year shall be considered. The lease term

including options to renew will be no longer than five (5) years. HCD will recommend a lease based upon review of the submitted proposal(s), zoning compliance, viability of the proposal(s) and return/benefit to the City. Only the Mayor and Council can approve a lease under this section.

D. **Lease of Improved Commercial and Unimproved Residential Properties:**

1. Vacant or improved commercial property and unimproved residential property may be listed as available for lease, or offered for lease through a publicly noticed competitive bid process, at market rates. Based upon review of submitted proposal(s), including but not limited to a review of such matters as zoning compliance, viability of the proposal(s) and return/benefit to the City, the Real Estate Division will make a recommendation through the City Manager's Office to Mayor and Council for its direction.

2. Vacant or improved commercial property and unimproved residential property may also be offered for lease at market rates through a publicly noticed competitive bid process. Based on review of submitted proposal(s), including but not limited to such matters as zoning compliance, viability of the proposal(s) and return/benefit to the City, the Real Estate Division will make a recommendation, through the City Manager's Office to Mayor and Council for its direction.

3. If after listing or a publicly noticed competitive bid process, the City is not able to lease properties at market value, the Real Estate Division may lease them to a legally established non-profit entity at a rate greater than or equal to 25% of the market lease rate (no less than $1,200/year) and for a term up to five years, including options to renew.

   In the event a prospective lessee under this section is required to construct or perform such substantial improvements to the leased property so as to require lender or donor approval to secure funding or to recapture the lessee's investment, upon the lessee's request, the term may be extended beyond that set forth herein, upon the approval of Mayor and Council. All such leases shall include rent escalator clauses using industry-recognized practices.

4. If properties are determined to be surplus to the City's needs, they may be offered for sale to the general public pursuant to approved City policies.

E. **Standard Lease Terms:**

1. The Real Estate Division shall ensure that each lease with a below market rent includes a provision that allows the City to audit the lessee's books, records, and financial statements. Audit provisions will be included in any new

non-profit lease, and lease renewal.

2. All leases of City-owned property shall include a form of no-cause termination appropriate to the context of the lease which may be exercised by the City in its sole discretion. The Real Estate Division in consultation with the City Manager shall determine what form of no-cause termination is appropriate to the circumstances.

3. All leases to any non-profit entity for less than market lease rate shall be limited to a term not to exceed five (5) years, unless otherwise expressly agreed by Mayor and Council. Renewal options may be considered by the Administrator on a case by case basis.

F. **Clearances:**

Lessees of City property shall obtain any required investigations, surveys, clearances, approvals and permits prior to performing any excavation, remodeling, demolition or tenant improvements to the leased premises.

VIII. LEASE OF PROPERTY FOR PUBLIC USE

A. All departments which require the public use of property owned by other persons or entities through a lease shall submit, in writing, a request to the Real Estate Division outlining all requirements of the lease, i.e. location, size, parking, hours of operation, etc.

B. A public solicitation process shall be employed which may include letters to brokers and advertisements in local newspapers. The Administrator shall determine the level of solicitation on a case by case basis.

C. All property listings and offers for lease shall be routed to the Real Estate Division, who will perform a review of the proposals to determine if the lease rate offered is reasonable and if the particular property meets any departmental needs. Qualifying proposals shall be forwarded to the requesting Department for review. If the requesting department accepts a lease proposal and if the lease rate is less than $25,000 per year, the lease may be reviewed and approved by the Administrator, in consultation with a staff appraiser or independent fee appraiser. All other lease proposals accepted shall be submitted with the recommendation of the Manager to the Mayor and Council for its approval and execution the lease.

D. If a specific property is determined to be unique in location and amenities, the Administrator may determine a sole source is acceptable, thereby eliminating the need for a competitive selection process.

IX. TRESPASSERS ON CITY OWNED OR CONTROLLED PROPERTY

When trespassers on City owned or controlled real property are discovered, the trespassers will be notified to vacate the premises and given an opportunity to promptly remove any encroachments or personal property. The Administrator shall determine the eventual disposition of the property. The Study Session item of November 7, 1994 provides the Real Estate Division with further direction relating to the placement of private improvements within public right of way in residential areas.

Appendices Appendix 1, Mayor and Council Direction and Legislative Policy Documents

References None

Review Responsibility and Frequency The City Manager or his/her designee shall review this directive in May of each year and, in consultation with the Director of Transportation, is authorized and directed to amend and revise this AD as deemed necessary. Last review date: 11/1/17.

Authorized

City Manager
Michael J. Ortega

Date 1/8/18