

RCW 35.81.090 Acquisition, disposal of real property in community renewal area. (1) A municipality, with approval of its legislative authority, may acquire real property, or any interest therein, for the purposes of a community renewal project (a) prior to the selection of one or more persons interested in undertaking to redevelop or rehabilitate the real property, or (b) after the selection of one or more persons interested in undertaking to redevelop or rehabilitate such real property. In either case the municipality may select a redeveloper through a competitive bidding process consistent with this section or through a process consistent with RCW 35.81.095.

(2) A municipality, with approval of its legislative authority, may sell, lease, or otherwise transfer real property or any interest therein acquired by it for a community renewal project, in a community renewal area for residential, recreational, commercial, industrial, or other uses or for public use, and may enter into contracts with respect thereto, or may retain such a property or interest only for parks and recreation, education, public utilities, public transportation, public safety, health, highways, streets, and alleys, administrative buildings, or civic centers, in accordance with the community renewal project plan, subject to such covenants, conditions, and restrictions, including covenants running with the land, as it may deem to be necessary or desirable to assist in preventing the development or spread of blighted areas or otherwise to carry out the purposes of this chapter. However, such a sale, lease, other transfer, or retention, and any agreement relating thereto, may be made only after the approval of the community renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote the real property only to the uses specified in the community renewal plan, and may be obligated to comply with any other requirements as the municipality may determine to be in the public interest, including the obligation to begin and complete, within a reasonable time, any improvements on the real property required by the community renewal plan or promised by the transferee. The real property or interest shall be sold, leased, or otherwise transferred for the consideration the municipality determines adequate. In determining the adequacy of consideration, a municipality may take into account the uses permitted under the community renewal plan; the restrictions upon, and the covenants, conditions, and obligations assumed by, the transferee; and the public benefits to be realized, including furthering of the objectives of the plan for the prevention of the recurrence of blighted areas.

(3) The municipality in any instrument of conveyance to a private purchaser or lessee may provide that the purchaser or lessee shall be without power to sell, lease, or otherwise transfer the real property, or to permit changes in ownership or control of a purchaser or lessee that is not a natural person, in each case without the prior written consent of the municipality until the purchaser or lessee has completed the construction of all improvements that it has obligated itself to construct thereon. The municipality may also retain the right, upon any earlier transfer or change in ownership or control without consent; or any failure or change in ownership or control without consent; or any failure to complete the improvements within the time agreed to terminate the transferee's interest in the property; or to retain or collect on any deposit or instrument provided as security, or both. The enforcement of these restrictions and remedies is declared to be consistent with the public policy of

this state. Real property acquired by a municipality that, in accordance with the provisions of the community renewal plan, is to be transferred, shall be transferred as rapidly as feasible, in the public interest, consistent with the carrying out of the provisions of the community renewal plan. The inclusion in any contract or conveyance to a purchaser or lessee of any covenants, restrictions, or conditions (including the incorporation by reference therein of the provisions of a community renewal plan or any part thereof) shall not prevent the recording of such a contract or conveyance in the land records of the auditor or the county in which the city or town is located, in a manner that affords actual or constructive notice thereof.

(4) (a) (i) A municipality may dispose of real property in a community renewal area, acquired by the municipality under this chapter, to any private persons only under those reasonable competitive bidding procedures as it shall prescribe, or by competitive bidding as provided in this subsection, through direct negotiation where authorized under (c) of this subsection, or by a process authorized in RCW 35.81.095.

(ii) A competitive bidding process may occur (A) prior to the purchase of the real property by the municipality, or (B) after the purchase of the real property by the municipality.

(b) (i) A municipality may, by public notice by publication once each week for three consecutive weeks in a newspaper having a general circulation in the community, prior to the execution of any contract or deed to sell, lease, or otherwise transfer real property and prior to the delivery of any instrument of conveyance with respect thereto under the provisions of this section, invite bids from, and make available all pertinent information to, private redevelopers or any persons interested in undertaking to redevelop or rehabilitate a community renewal area, or any part thereof. This notice shall identify the area, or portion thereof, and shall state that further information as is available may be obtained at the office as shall be designated in the notice.

(ii) The municipality shall consider all responsive redevelopment or rehabilitation bids and the financial and legal ability of the persons making the bids to carry them out. The municipality may accept the bids as it deems to be in the public interest and in furtherance of the purposes of this chapter. Thereafter, the municipality may execute, in accordance with the provisions of subsection (2) of this section, and deliver contracts, deeds, leases, and other instruments of transfer.

(c) If the legislative authority of the municipality determines that the sale of real property to a specific person is necessary to the success of a neighborhood revitalization or community renewal project for which the municipality is providing assistance to a nonprofit organization from federal community development block grant funds under 42 U.S.C. Sec. 5305(a)(15), or successor provision, under a plan or grant application approved by the United States department of housing and urban development, or successor agency, then the municipality may sell or lease that property to that person through direct negotiation, for consideration determined by the municipality to be adequate consistent with subsection (2) of this section. This direct negotiation may occur, and the municipality may enter into an agreement for sale or lease, either before or after the acquisition of the property by the municipality. Unless the municipality has provided notice to the public of the intent to sell or lease the property by

direct negotiation, as part of a citizen participation process adopted under federal regulations for the plan or grant application under which the federal community development block grant funds have been awarded, the municipality shall publish notice of the sale at least fifteen days prior to the conveyance of the property.

(5) A municipality may operate and maintain real property acquired in a community renewal area for a period of three years pending the disposition of the property for redevelopment, without regard to the provisions of subsection (2) of this section, for such uses and purposes as may be deemed desirable even though not in conformity with the community renewal plan. However, the municipality may, after a public hearing, extend the time for a period not to exceed three years.

(6) Any covenants, restrictions, promises, undertakings, releases, or waivers in favor of a municipality contained in any deed or other instrument accepted by any transferee of property from the municipality or community renewal agency under this chapter, or contained in any document executed by any owner of property in a community renewal area, shall run with the land to the extent provided in the deed, instrument, or other document, so as to bind, and be enforceable by the municipality against, the person accepting or making the deed, instrument, or other document and that person's heirs, successors in interest, or assigns having actual or constructive notice thereof. [2002 c 218 § 9; 1965 c 7 § 35.81.090. Prior: 1957 c 42 § 9.]

Severability—Savings—Construction—2002 c 218: See notes following RCW 35.81.005.