

**CITY OF WEST RICHLAND
RESOLUTION NO. 23-16**

**A RESOLUTION OF THE CITY OF WEST RICHLAND, WASHINGTON
AUTHORIZING THE PAYMENT OF COMMISSIONS TO LICENSED REAL
ESTATE BROKERS ON SALES AND LEASES OF CITY REAL PROPERTY**

WHEREAS, for purposes of this resolution, the term "broker" is intended to include real estate brokerages licensed in the State of Washington as well as real estate salespersons licensed in the State of Washington who are employed at those brokerages; and

WHEREAS, payment of commissions on sales and leases of city real property to licensed real estate brokers will expedite the disposition potential of City real property by increasing the potential pool of interested parties; and

WHEREAS, the City, after review and consultation, finds that payment of commissions to licensed real estate brokers who actually negotiate sales and leases of real property should be authorized by the City; and

WHEREAS, the purpose of this resolution is to establish policy with which the City will deal with licensed real estate brokers and the conditions under which commissions will be paid by the City to such brokers in connection with the sale and/or lease of real property when the City is not represented by a Broker.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST RICHLAND that:

1. Commissions will only be paid to licensed real estate brokers who actually initiate bona fide sales and leases of City real property upon satisfactory proof being submitted to the City that the broker actually initiated the bona fide sale or lease for which he/she claims commission. In addition thereto, the broker shall file with the City within ten (10) days from his/her appointment as his/her client's agent for the purpose of aiding in the purchase or lease of property a written authorization to represent the client in the negotiation. The broker will also provide a statement that he/she actually negotiated the bona fide sale or lease together with the name of the proposed purchaser or lessee and the date of their first contact with said purchaser or lessee. Unless the provision is strictly complied with, the City will not pay any claimed commission. This agreement is not to be construed to be an exclusive listing agreement.
2. After final approval of the sale or lease by the City and after receipt of all funds due at closing or lease commencement, as the case may be, the City working through a Title Company when applicable will pay to the licensed real estate broker negotiating any such sale or lease a commission based on the following schedule:
 - A. SALES OF UNIMPROVED REAL PROPERTY (Bare Land) with the terms to be negotiated as set forth within the ranges as set forth below
 1. On a sale up \$499,999 Up to Five (5) percent
 2. On a sale \$500,000 to \$1,000,000 Up to Four (4) percent
 3. On any amount over \$1,000,000 Up to Three (3) percent

- B. SALES OF IMPROVED REAL PROPERTY (With Structure(s)*)
- | | |
|---|------------------------|
| 1. On a sale up \$499,999 | Up to Six (6) percent |
| 2. On a sale amount from \$500,000 to \$1,000,000 | Up to Five (5) percent |
| 3. On a sale amount over \$1,000,000 | Up to Four (4) percent |


** Structure as defined in WRMC, Title 17 – Zoning*

- C. LEASES
Five (5) percent of the aggregate rental (not including leasehold or excise tax) for the first five (5) years of the lease term

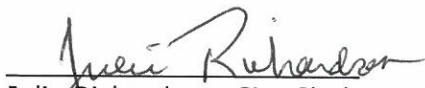
Lease commissions shall be payable in two installments with fifty (50) percent paid upon lease execution and fifty (50) percent paid upon rent commencement, thus accounting for rent concessions when applicable.

3. If payment is to be made in installments on any sale, the commission shall be paid as each principal installment is received, in the percentage thereof of the principal balance applicable to the sale.
4. The commission paid on any sale shall only be on the basic price of the land sold excluding any Local Improvement District assessments and/or any taxes against such sales, including excise tax.
5. Any exceptions to this policy must be approved by the City Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF WEST RICHLAND, WASHINGTON, this 19th day of July 2016, at 7:00 p.m.


Brent Gerry, Mayor

ATTEST:


Julie Richardson, City Clerk

APPROVED AS TO FORM:


Bronson Brown, City Attorney