

June 2, 2014



To: Mayor Bemrich and City Council

From: David Fierke, City Manager

Subject: Property Disposition – 726 Avenue C

ACTION: For vote Monday, June 9, 2014

Brief History

The property at 726 Avenue C has been abandoned by the owner and the City received title to the property through the abandoned buildings section of the Iowa Code (Chapter 657A.10A).

Analysis of Issue

Following public hearing, it was determined that the following described parcel shall be offered for sale through re-developmental proposal:

- Lot 7 and the West 7 feet of Lot 8, in Larson's Sub-Division of Block 32, in West Fort Dodge, Iowa (726 Avenue C).

"For Sale" signs would be posted at the property, as well as, on the city website, and other previously established channels. Every proposal received would be reviewed by committee and presented to Council when the most acceptable terms have been negotiated.

Budget Impact

Funds received from the sale of this property would offset the expenses associated with the acquisition, maintenance and disposition of the property. These funds may also be used to fund the demolition of other city-owned properties acquired through the abandonment process.

Strategic Plan Impact

Policy D.6.1: A variety of housing types in locations consistent with their characteristics and level of services required shall be accommodated.

Policy D.6.4: Affordable housing needs shall be met through an array of rental and home ownership options including apartments, townhouses, granny flats, carriage houses (garage apartments), single family site built homes, and accessory living units.

Policy D.6.6: Incentives may be provided for infill development and the rehabilitation of existing housing already provided with urban services to acknowledge the lower service and infrastructure costs to the taxpayer. However, development requiring the expansion of services and infrastructure may be required to assist in the cost of such service expansions.

Policy D.6.9: New infill development shall be architecturally compatible with existing structures, landscape features and the streetscape within its vicinity. Efforts by neighborhood associations to establish their own standards for development compatibility shall be encouraged.

Existing Plan Impact

The sale of this property through re-developmental proposal would not impact existing plans.

Subcommittee or Commission Review / Recommendation

None

Staff Conclusions / Recommendations

Accept re-developmental proposals for the disposal of the above-referenced parcel until an acceptable proposal is negotiated.

Alternatives

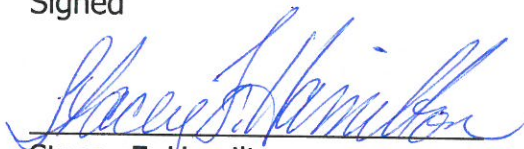
The only alternative would be to not dispose of this property, which is not recommended.

Implementation and Accountability

Proposed timeline if this resolution is approved:

Re-developmental Proposals Accepted:	Beginning June 10, 2014
Proposals Reviewed:	By Committee
Property Redevelopment:	Summer 2014/Winter 2015

Signed



Stacey F. Hamilton
Neighborhood Wellness
Coordinator

Approved



David R. Fierke
City Manager

COUNCIL AGENDA ITEM

PUBLIC NOTICE

PROPOSAL TO SELL REAL ESTATE

Notice is hereby given that the City Council of the City of Fort Dodge, Iowa, having determined that the property herein described is not needed for any public purpose herewith, offers for re-developmental proposal the following described real estate:

- Lot 7 and the West 7 feet of Lot 8, in Larson's Sub-Division of Block 32, in West Fort Dodge, Iowa. (726 Avenue C).

Written proposals for the purchase and redevelopment of said parcel(s) will be received at the City Clerk's Office, Attn: Stacey Hamilton, 819 1st Avenue South, Fort Dodge. Proposals will be reviewed by staff and presented to the City Council at a following Council meeting. Each proposal shall be accompanied by a check payable to the City of Fort Dodge, Iowa, drawn upon a solvent state or national bank in the amount of at least 10% of the proposed purchase price stated on said proposal to be held and applied in accordance with the conditions of said offering.

This offer is being made subject to certain contingencies, which are set forth in the Resolution Approving the Offering of Property For Sale and Method of Selecting a Developer. Full information as to the form and content of proposal documents, requirements which must be met by the re-developer, and sale procedure is available at the Nuisance Inspection Department, Second Floor, Municipal Building, Fort Dodge, Iowa, or will be mailed upon request.

CITY OF FORT DODGE, IOWA

Jeff Nemmers, City Clerk

RESOLUTION NO. _____

**RESOLUTION APPROVING THE OFFERING OF PROPERTIES FOR SALE AND
METHOD OF SELECTING A DEVELOPER**

WHEREAS, the City acquired title to the following described real estate through the abandoned buildings section of the Iowa Code (Chapter 657A.10A):

- Lot 7 and the West 7 feet of Lot 8, in Larson's Sub-Division of Block 32, in West Fort Dodge, Iowa. (726 Avenue C).

and,

WHEREAS, the City deems it necessary and in the public interest to offer said real estate for disposition under re-developmental proposal procedures; and,

WHEREAS, the City is desirous of identifying and approving the method of selecting the developer; and,

WHEREAS, the proper procedure requires the selection of and specification by this Council of the terms and conditions of the offering of such real estate, and the terms and conditions hereinafter specified appear to be pertinent to such offering and in the best interest of the City of Fort Dodge, Iowa.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT DODGE, IOWA:

1. That said real estate shall be offered for sale by the City under the terms and conditions herein stated.
2. That written proposals for the purchase and re-development of said real estate will be received at the City Clerk's Office, Attn: Stacey Hamilton, 819 1st Avenue South, Fort Dodge, IA until an acceptable proposal is negotiated. Proposals shall be opened upon receipt and reviewed by Committee. Final acceptance of proposals will be determined by the City Council.
3. That such offering shall be advertised in *The Messenger*, a newspaper having a general circulation in the community, by publication of the text of this Resolution.
4. That each such proposal shall be accompanied by a check payable to the City of Fort Dodge, Iowa, drawn upon a solvent state or national bank in the amount of at least 10% of the proposed purchase price stated on said proposal, to be held and applied in accordance with the conditions of said offering.
5. That each such proposal shall also include proof of buyer's ability to finance the purchase of said property.
6. That the City Manager is hereby authorized to make preliminary analysis of each such proposal for compliance with the requirements herein stated and for quality of the proposal.
7. Future use of the property is limited to single-family housing development. The developer shall be obligated to the following:
 - a. Property is being sold "as is".
 - b. Re-development must be started within 6 months of the transfer of property or date otherwise approved and must be completed within 1 year of transfer.
 - c. Property must be brought into conformance with all currently adopted city Codes, including but not limited to building, housing and maintenance codes.
8. That the City of Fort Dodge reserves the right to waive informalities in the sale procedures herein provided and to reject any and all bids or proposals.

PASSED AND APPROVED by the City Council of the City of Fort Dodge, Iowa, this _____ day of _____, 2014.

AYES: _____

NAYS: _____

OTHER: _____

City of Fort Dodge, Iowa

Matt Bemrich, Mayor

ATTEST:

Jeff Nemmers, City Clerk

CITY OF FORT DODGE RE-DEVELOPMENTAL PROPOSAL

The City of Fort Dodge is offering the following parcel for sale:

- Lot 7 and the West 7 feet of Lot 8, in Larson's Sub-Division of Block 32, in West Fort Dodge, Iowa. (726 Avenue C).

PROPOSAL REQUIREMENTS:

1. Submit written proposals to:
City Clerk's Office
Attn: Stacey Hamilton
819 1st Avenue South
Fort Dodge, IA 50501
2. Good faith deposit: 10% of bid is required as part of the proposal. Deposit can be in the form of a cashier's or certified check.
3. Developer must show proof of ability to finance project.
4. Re-Developmental Requirements: Future use of the property is limited to single-family housing development. The developer shall be obligated to the following:
 - a. Property is being sold "as is".
 - b. Re-development must be started within 6 months of the transfer of property or date otherwise approved and must be completed within 1 year of transfer.
 - c. Property must be brought into conformance with all currently adopted city Codes, including but not limited to building, housing and maintenance codes.

POSSIBLE TAX ABATEMENT:

- a. The subject property is located within the City's Enterprise Zone and may be eligible for benefits including a 10% State Tax Credit on the first \$140,000 of investment and a refund of sales tax paid on the improvements.
- b. The subject property meets the definition of an "abandoned property" and may be eligible for tax abatement based on the following schedules:
 - 5 year 100% exemption from taxation on the actual value added;
 - OR
 - 15 year sliding scale
 - Year 1 – 80% exemption from taxation on the actual value added;
 - Year 2 – 75%
 - Year 3 – 70%
 - Year 4 – 65%
 - Year 5 – 60%
 - Year 6 – 55%
 - Year 7 – 50%
 - Year 8 – 45%
 - Year 9 – 40%
 - Year 10 – 35%
 - Year 11 – 30%
 - Year 12 – 25%
 - Year 13 – 20%
 - Year 14 – 20%
 - Year 15 – 20%
- c. For more information and eligibility requirements on these programs, contact Vickie Reeck, Department of Business Affairs and Community Growth, 819 1st Avenue South, Fort Dodge, IA 50501, (515) 576-8191.

PROPOSAL TO PURCHASE PROPERTY FOR PRIVATE RE-DEVELOPMENT

Name of Developer: _____

Address: _____

Telephone: _____

Legal Description: Lot 7 and the West 7 feet of Lot 8, in Larson's Sub-Division of Block 32, in West Fort Dodge, Iowa. (726 Avenue C).

Proposal Amount: _____

Good Faith Deposit: _____

Description of Project: (This explanation of the housing project can be attached as separate page)

Estimated Cost of Improvements: _____

Funding Source (s): _____

Estimated Sale Price or Rental Cost, if applicable: _____

Estimated Time For Commencement: _____

Estimated Time For Completion: _____

Additional Comments: _____

The City reserves the right to waive informalities in the sale procedures herein provided and to reject any and all proposals. If this Proposal is accepted, the City shall provide a Special Warranty Deed to the Developer specifying the terms and conditions of the re-developmental proposal as stated in the Resolution provided within ninety (90) days from notification of acceptance and upon completion of requirements set forth within.

In the event this Proposal is accepted by the City Council and the Developer fails or refuses to accept title to the property within 150 days after notification of acceptance of proposal, the City may terminate all rights of the Developer hereunder, and, in such event, may retain the good faith deposit of the Developer as liquidated damages and the City may proceed with other arrangements or plans for the sale of the Property to which this Proposal relates.

The City may withdraw from the sale of the Property at any time prior to conveyance of title and possession of said property by reason of the City being enjoined or prevented from so doing by any order or decision or act of any judicial, legislative, or executive body having authority in the premises, or by reason of the City not being able to transfer unencumbered title. In such case, the deposit can be refunded to the Developer.

Failure by the Developer to perform the requirements set forth above in the required time frame will result in the property reverting back to the City of Fort Dodge. In such event, the City may retain all funds paid by the Developer.

Sale of the property by the Developer prior to the development requirements must have prior approval by the City of Fort Dodge.

If you have questions, contact Stacey Hamilton, Nuisance Inspection Department, Municipal Building, 819 1st Avenue South, Fort Dodge, Iowa; (515) 576-3602.

Name of Developer (type or print)

Signature

Date