



Legislation Text

File #: 17-850, **Version:** 1

City Council Meeting Date: June 6, 2017

To: Mayor and City Council
City Administrator

From: Chris Heineman, Community Development Director
Scott Tempel, City Planner

Public Hearing on Sale of Property - 219 Water Street South

Action Requested:

Staff recommends that the Northfield City Council conduct a public hearing on the sale of city-owned property located at 219 Water Street South.

Summary Report:

The City Council directed staff and the City Attorney to prepare a purchase and redevelopment agreement related to the sale of real property located at 219 Water Street South on April 4, 2017. A draft copy of the purchase and redevelopment agreement was provided and is currently under review by the developer and their attorney.

In addition to drafting a purchase and redevelopment agreement, a public hearing is required prior to the sale of City-owned property. The City Charter includes a specific provision dealing with property transactions. According to the Northfield City Charter, Section 15.5. - Sales of Real Property, the sale of property requires a supermajority vote of at least five members of the Council, which may occur only after a public hearing has been held and published notice of the hearing has been given. Section 15.5 of the City Charter reads as follows:

The council may by resolution approved of by at least five (5) members sell or otherwise dispose of any real property of the city. A sale or other disposition of the city's real property may be made only after a public hearing has been held and published notice of the hearing has been given at least ten (10) but not more than thirty (30) days prior to the hearing. The net cash proceeds of the sale of the property shall be used to retire any outstanding indebtedness incurred by the city in the acquisition or improvement of the property. Any remaining net cash proceeds shall be used to finance other improvements in the capital improvement budget or to retire any other bonded indebtedness.

The sale of City property requires a supermajority vote of at least five members of the Council, which may occur only after a public hearing is held. The City Council is not being asked to vote on the sale of public property at this time and is only being asked to conduct the public hearing.

A minor subdivision to consolidate the lots into one parcel is required to create a saleable parcel. This is also needed to meet building code requirements, as structures are not allowed to cross lot lines. If the minor

subdivision is approved, the City Council will be asked to consider approval of a purchase and redevelopment agreement with the developer at a yet to be determined date.

The Resolution for the minor subdivision is conditioned upon approval of a purchase and redevelopment agreement, and includes the following provisions related to the agreement:

- Prior to the City's execution of the plat and recording the same, the Applicant must enter into the above-referenced purchase and redevelopment agreement required by the City, in a form acceptable to and approved by the City Council
- The requirements and conditions of the approved purchase and redevelopment agreement shall be incorporated as conditions of the City's execution of the plat.
- In the event that the above-referenced purchase and redevelopment agreement is not approved by the City Council for any reason, within 90-days of the date of the resolution, the plat approved shall be deemed null and void without further action or obligation of any kind or nature by either the City or the Developer.

Financial Impacts:

The purchase and redevelopment agreement will include the specific terms recommended by the City Council in April. A purchase price of \$9,700 is included in the purchase and development agreement. This was reached by subtracting square footage of the drainage and utility easement from the total square footage of the city-owned land and multiplying by \$10.50 per square foot.

Tentative Timelines:

It is anticipated that final negotiations related to the purchase and redevelopment agreement will be completed in June or July and brought back for City Council consideration in early August.