

RESOLUTION #014-043

City of Ironwood Surplus Property Policy

WHEREAS, the City of Ironwood desires to reduce the number of real properties it owns through a formal policy attached as Exhibit A known as the City of Ironwood Surplus Property Policy;

WHEREAS, the attached policy is consistent with the City of Ironwood Comprehensive Plan and Chapter 2, Article VI, Division 3 of the City of Ironwood Code of Ordinances and has been reviewed and recommended by the City of Ironwood Planning Commission on September 3, 2014;

WHEREAS, any resolution that may be in conflict is hereby repealed;

THEREFORE BE IT FURTHER RESOLVED that the City of Ironwood hereby adopts this resolution and the attached City of Ironwood Surplus Property Policy.

The following aye votes were recorded: _____ 5 _____

The following nay votes were recorded: _____ 0 _____



Kim Corcoran, Mayor

I, Karen Gullan, the duly appointed City Clerk of the City of Ironwood, Michigan, do hereby certify that the foregoing is a true copy of a Resolution adopted by the City Commission of the City of Ironwood at its Regular Meeting on September 22, 2014.



Karen M. Gullan, City Clerk

Exhibit A



City of Ironwood Surplus Property Policy

1. Introduction

The following policy outlines how the City of Ironwood disposes of real property it considers to be surplus and of no further use for the public good per Chapter 2, Article VI, Division 3, Section 2-242 of the City of Ironwood Code of Ordinances.

2. Amendments to this policy:

The City of Ironwood Planning Commission shall review and make a recommendation to the City Commission regarding amendments to this policy. Upon receiving a recommendation from the Planning Commission, the City Commission may approve, approve with modifications or deny all amendments; if approved they shall be passed by resolution.

3. Property not for Sale

City owned property that is being used for a public purpose shall not be sold. This includes but is not limited to parks, recreational areas and property with public buildings/use (i.e. Memorial Building, Library, Public Works, Public Safety, utility stations, water towers etc).

The City Commission may consider these types of property for sale only after receiving recommendations from the following:

- A. Park/Recreation Area Property: Parks and Recreation Committee and Planning Commission
- B. Public Building/Use Property: Planning Commission

4. Industrial Park Property

The following is the process the City shall follow to sell property it owns in the Industrial Park. While this property is not considered surplus, this will formalize the process to sell Industrial Park property.

- A. A development proposal and site plan shall be submitted to the Ironwood Industrial Development Corporation (IIDC) for City owned property within the Industrial Park. The IIDC shall make a recommendation with conditions to the City Commission.
- B. The Planning Commission shall review the development proposal and site plan and make a recommendation to the City Commission.

- C. Upon receiving a recommendation from the IIDC and Planning Commission the City Commission shall approve, approve with conditions or deny the request.
- D. If approved, development agreements and other legal documents shall be prepared for approval by the City Commission. The development agreement shall take into account requirements deemed necessary for sale and development of the property.
- E. All costs incurred by the City (legal, engineering, recording of documents or other fees/costs) through the sale and development of the property shall be paid for by the purchaser. A deposit may be required to ensure payment prior to preparation of development agreement/deed/legal documents. The deposit shall be maintained until completion of the project. In addition, a letter of credit shall be required to ensure the completion of the project.
- F. The development proposal and site plan shall comply with all zoning/development regulations and be consistent with the Comprehensive Plan.
- G. A timeframe shall be set for completion of the development; if the development is not completed in the set timeframe the property shall revert back to the City of Ironwood.
- H. The price of land shall be set by the City Commission on a case by case basis and annually reviewed with the IIDC.

5. Tiered System

Property identified as surplus shall be placed into one of two tiers that are outlined below. This tiered approach is consistent with the City of Ironwood Comprehensive Plan Strategy 6.11(c).

A. Tier I Property

- I. These are properties that are "sandwiched" in between different property owners or adjacent property owners of which the City owned property would not be able to be developed under existing zoning regulations and could only be utilized by such adjoining property owners. The property would only be eligible to be sold to the adjoining property owners to add on to their property. (see attached map **Surplus Property Policy: Tier 1** for example)
- II. The City shall prepare and adopt, by resolution, a list and corresponding map of Tier I properties and purchase prices.
 - a. The Planning Commission shall direct staff to prepare a list and map of Tier I properties and corresponding prices.
 - b. Upon completion of the list and map the Parks and Recreation Committee shall review the list and map and evaluate if any property identified should be removed from the list and held by the City for parks and recreation purposes. The Parks and Recreation Committee shall make a recommendation to the Planning Commission.
 - c. Upon receiving a recommendation from the Parks and Recreation Committee, the Planning Commission shall review the list and map and make a recommendation to the City Commission.

- d. Upon receiving a recommendation from the Planning Commission, the City Commission may order a title search of all properties identified on the list to verify ownership (a title search may be required for new properties being added to the list in the event of an amendment as described below). If after the title search there are properties that are not in City ownership, they shall be removed from the list and map. The City Commission shall then adopt the list and map by resolution.
 - e. Amendments to the list and map: On an annual basis the City Assessor shall conduct a regular land use and building conditions inventory (Comprehensive Plan Strategy 3.3) to determine if there are additional properties that may apply, properties that have been sold shall be removed, other properties for removal shall be evaluated and prices reevaluated. Amendments shall follow the same approval process outlined above.
- III. Once the resolution adopting the list and map is approved, no additional approvals shall be required by the City to sell Tier I properties except in the following cases:
- a. If multiple eligible property owners wish to purchase a property staff shall bring the requests before the Planning Commission for a decision; it is the intent of the City for an even split of the property.
 - b. If an eligible property owner doesn't want to purchase the entire property the City may consider splitting the property. Staff shall bring the request before the Planning Commission for a decision; it is the intent of the City to sell the property as a whole if possible.
- IV. If the purchaser doesn't agree with the set price they shall have an appraisal prepared, at their own cost, and submitted to the City. The City may accept the lowest price (surplus list price or appraisal price).
- V. Purchaser shall pay the listed price, or appraisal price, as well as all attorney and recording fees associated with preparing the deed prior to preparation of the deed. Once payment has been received the City will cause the City attorney to prepare the deed; once the deed has been prepared, the City Clerk shall record the deed with the County.
- VI. It is the City's intent to be proactive about selling its Tier I surplus property by actively contacting eligible property owners.

B. Tier II Property

- I. All City property considered to be surplus that is not designated as Tier I shall be considered Tier II property. These properties are generally larger in size and have more development potential.
- II. Tier II properties shall go through a competitive request for proposal bid process (RFP). The RFP would evaluate development proposals based on future use, developer's vision and experience and potential neighborhood impacts rather than on bid price alone. This helps to ensure that redevelopment contributes to neighborhood revitalization.
- III. There are two ways properties shall be identified for the RFP process:

- a. The Planning Commission shall identify properties it would like an RFP prepared for based on staff recommendations. The number of RFP's prepared each year will vary based on staff resources.
- b. Someone from the public shall be allowed to request a particular property have an RFP prepared for it. Upon receiving a written request the Planning Commission shall discuss it at its next regularly scheduled meeting and decide if an RFP should be prepared or not based on consistency with the comprehensive plan. A \$250.00 non-refundable deposit shall be required upon a written request.

IV. Property Appraisal

Prior to preparing an RFP, the City shall conduct a property appraisal to determine a basis to set a bid price.

V. RFP Preparation Process

- a. Upon successful completion of a title search and survey and if no ownership or encumbrance issues arise, staff shall prepare an RFP (see below for RFP Components).
- b. Upon completion of the RFP the Parks and Recreation Committee shall review it for parks and recreation components and shall make a recommendation to the Planning Commission.
- c. Upon receiving a recommendation from the Parks and Recreation Committee the Planning Commission shall review and make a recommendation on the RFP to the City Commission.
- d. Upon receiving a recommendation from the Planning Commission the City Commission may authorize going out to bid for the RFP. The City Commission can modify the RFP prior to authorizing to go out to bid or deny it. If denied the City Commission shall indicate the reason why and what direction the City should take with the particular property in question.

VI. RFP Award Process

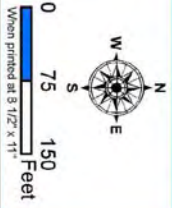
- a. Upon receiving RFP proposals staff shall review them for completeness and forward them on to the Planning Commission which shall review and make a recommendation to the City Commission. The Planning Commission may ask for additional information and modifications to the proposals prior to making a recommendation which would then be brought back to a future meeting. The Planning Commission may make a recommendation that no proposal be awarded.
- b. Upon receiving a recommendation from the Planning Commission the City Commission shall take action. The City Commission can award (with modifications) or deny the recommended proposal by the Planning Commission. If denied, and there is a desire to see the property sold and developed, the City Commission may direct staff to start the process over with preparation of an RFP.
- c. The City shall not be obligated to make an award.

- d. If the RFP is approved, development agreements and other legal documents shall be prepared by staff and the City attorney for approval by the City Commission. The development agreement shall take into account the requirements listed in the RFP in addition to any other requirements deemed necessary for sale and development of the property. A survey and title search of the property shall be a requirement in the development agreement.
- e. All costs incurred by the City (legal, engineering, recording of documents or other fees/costs) through the sale and development of the property shall be paid for by the purchaser. A deposit may be required to ensure payment prior to preparation of development agreement/deed/legal documents. The deposit shall be maintained until completion of the project. In addition, a letter of credit may be required to ensure the completion of the project.

VII. RFP Components

The RFP shall take into consideration the following components and award of the bid shall not be based on price alone. This list is not exhaustive, but provides a base line from which to evaluate each unique property. Additional criteria may be considered as part of each individual RFP.

- a. The development plan is consistent with the comprehensive plan (design of buildings, site layout, amenities, open space etc).
- b. All required development ordinances and processes shall be complied with once a proposal is awarded (site plan review, conditional use, rezoning, building permits etc).
- c. A time frame shall be set for completion of the development otherwise the property reverts back to the City; all costs associated with the development project shall be forfeiture including the purchase price. One extension may be considered under extreme circumstances, which would come before the Planning Commission for review and approval.
- d. Developer vision and experience (resume, references, description of past projects etc).
- e. Potential neighborhood impacts.
- f. Bid price (a minimum bid price should be established). The proposed price should not be a major determining factor. The other factors suggested above should be weighed equally or greater. The high bid would not be guaranteed the property.



Surplus Property Policy: Tier 1

Wednesday, July 30, 2014

- Legend
- ☐ Permitted to purchase from surplus list
 - City Property

This document is intended to be used as a guide only. The City of Ironwood and its employees are not liable for any errors or omissions.

