

Memorandum



Date: October 7, 2025
To: Buchanan City Commission
From: City Manager Tony McGhee
Subject: **Approval to Issue RFP for the Sale and Development of City Lots**

Background

Over the past several years, the City has assembled a package of lots in the Northside of the community for the purposes of redevelopment. At this time, the City has assembled the following thirteen (13) lots for redevelopment.

- 404 Elizabeth Street
- 405 Elizabeth Street
- 411 Elizabeth Street
- 416 Bluff Street
- 418 Bluff Street
- 420 Elizabeth Street
- 314 Arctic Street
- 503 Arctic Street
- 418 Fulton Street
- 724 W Roe Street
- 907 Victory Street
- 1104 Victory Street
- 1106 Victory Street

At this time, the staff would like to begin the process of seeking proposals from qualified developers for the purchase and development of the subject lots. The intent of the RFP will be to encourage quality residential development that aligns with the City's goals, including the timely development of lots and the inclusion of workforce housing opportunities.

Developers will be able submit proposals for individual lots, a portion of the lots, or for the entire set. The City reserves the right to award sales to one or multiple proposers, based on the proposals that best meet the City's objectives.

The overarching terms proposed sale terms in the RFP will include:

- Asking Price: \$5,000 per lot.
- Transaction Costs: The developer is responsible for all transaction costs associated with the sale.
- Closing: To be scheduled upon mutual agreement of the parties.

- Terms are negotiable if the developer proposes and aggressive buildout schedule and commitment to workforce housing.

To ensure the timely use of the property and advancement of the City's housing goals, the following conditions will be included in the sale agreement(s):

1. Minimum Development Timeline (Clawback Provision):
 - Construction must begin on at least three (3) lots within one (1) year of closing.
 - Construction must begin on all lots purchased within thirty-six (36) months of closing.
 - Failure to meet these requirements may result in the City reclaiming ownership of the undeveloped lots at the original sale price.
2. Workforce Housing Set-Aside:
 - Proposals that include a commitment to set aside a portion of the lots for workforce housing (affordable to households earning between 60%–120% of Area Median Income) will receive additional consideration.
3. Development Pace:
 - While the minimum timeline is outlined above, proposals that demonstrate a commitment to a faster pace of construction will be viewed favorably.

Recommendation

Staff recommends that the City Commission begin the process of allowing for the sale of these lots by scheduling a public hearing to approve their disposition and the RFP process to begin.

Attachment A: Map with location of City owned lots