



MEMORANDUM

City Council

July 17, 2023, at 7:00 PM

TO: City Council

FROM: Rich LaBombard, City Manager

SUBJECT: Ordinance to sell 291 66th Street – Ordinance 02-2023 – Public Hearing and Second Reading

The Douglas City Council has directed the City Manager to sell public property owned by the City of Douglas located at 291 66th Street. Per the requirements of Ordinance 02-2022, an ordinance to *Establish Procedures for Transfer of Surplus Real Property for the City of the Village of Douglas*, the sale of surplus real property shall be done by passing an ordinance.

A review of Chapter 13 of the City Charter, also specifies that, “The City may not sell any cemetery, park or any part thereof unless approved by a majority vote of the electors voting thereon at any general or special election.” The property located at 291 66th Street is neither a park or cemetery.

The City purchased 291 66th Street property in 2017 with the intent of relocating any or all of the Department of Public Works operations and construct a clear span storage building. The City paid just under \$52,000 for the property. An additional \$58,000 was invested to install a culvert, driveway, and parking pad. The City’s total investment into the property was \$110,000 not including the cost for an environmental assessment. The current appraisal of the property estimates the value to be approximately \$160,000.

The property is deemed to be surplus due to the relatively small area that is buildable to suit the Department of Public Works needs. Furthermore, the location of the property in a residential neighborhood east of the highway is not the ideal location for a municipal facility.

Per the Surplus Property Ordinance:

- Disposing of real property by City officials for employees for personal gain or to benefit the interest of any person or party other than the City is strictly prohibited.
- Sale of land or other real property requires City Council authorization and may require a vote of the majority of electors as provided in Chapter 13 of the City Charter.
- Sale of surplus real property shall be done by passing an ordinance. Real property may be conveyed by quit claim deed.
- The City shall not sell property to any individual or entity who is in default to the City.

- The purchaser shall agree to pay and be responsible to pay for any mortgage or title insurance policy, all costs in applying for and securing financing, inspections, environmental assessments, recording fees, and costs in connection with the purchaser's use or intended use.

If the City Council agrees to sell the property, the City Manager will issue a request for sealed bids and allow 30 days for the submission of responses. The City may give preference to purchasers that will construct a home on vacant property for residentially zoned parcels. Adjoining property owners may be given preference if the real property is unbuildable because of zoning, other codes or laws, environmental or economic factors.

Motion to open the public hearing.

Sample Motion – I motion to direct the City Manager to prepare a request for bids for disposal of public property located at 291 66th Street, Douglas, Michigan.