



CITY OF MARSHALL AGENDA ITEM REPORT

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| Meeting Date: | Tuesday, June 25, 2019 |
| Category: | NEW BUSINESS |
| Type: | ACTION |
| Subject: | City Charges on Tax Forfeited Property Located at 620 W. Main Street |
| Background Information: | <p>On May 16, 2018 the bare lot located at 620 W. Main Street was forfeited to the State of Minnesota/Lyon County. Property forfeited for failure to pay real estate taxes. In addition to real estate taxes, City of Marshall had levied special assessments in the amount of \$19,234.52. Special assessments were levied as a result of nuisance abatement to remove the residential property damaged/destroyed in severe weather incident. Lyon County attempted to sell the property but was unable to do so. Minnesota Statutes do allow municipality to reassess special assessments or to levy charges against property in an amount up to costs incurred for unpaid special assessments. City Council had previously authorized special assessments to be reassessed in the amount of 50% of the cancelled special assessments.</p> <p>This matter came before the Council on May 14, 2019. City Council directed staff to negotiate an amount to be charged against the property if the tax forfeited property returns to private owners. Minnesota Statute §444.076 authorizes the City to levy a fee or charge against the property allowing the private property owner to take advantage of the improvement which gave rise to the special assessment. City staff has negotiated a charge of \$3,000 to be paid by perspective purchaser for the property. Attached is a signed agreement wherein the perspective purchaser agrees to pay a \$3,000 charge against the property. That charge is in addition to the purchase price which would be paid to Lyon County. Perspective purchaser has paid \$1,000 earnest money payment. Agreement is contingent upon City Council approval. If this matter is approved, the \$3,000 charge agreement plus the earnest money payment of \$1,000 will be forwarded to Lyon County for the conclusion of this transaction. Staff is recommending approval of the agreement as prepared.</p> |
| Fiscal Impact: | City shall receive \$3,000 as full and final payment of unpaid special assessment as previously charged in the amount of \$19,234.52. Property will return to tax rolls for City, County and School District tax funds. |
| Alternative/ Variations: | None recommended. |
| Recommendations: | Consider and approve City Fees and Charges Agreement as signed by perspective purchaser. |