



FRY TOWNSITE UPDATE

**JOINT CITY/COUNTY
WORKSESSION
September 26, 2017**

PRESENTATION AGENDA

- Status Update on City/County Settlement Agreement with Lane Balmer
 - **Review Terms, Conditions and Schedule**
 - **City/County Expenditures**
 - **Clean-Up Effort**
- 20-Year Review of CDBG Projects
- Fry Town Site Annexation Initiative

HISTORICAL BACKGROUND

2014

- Public meeting to hear Fry Town residents' pleas for assistance
- Despite much effort, Code Enforcement has not made a dent
- Germination of a concept to use judgment lien and tax deed sales to acquire properties
- City/County Officials tour Fry Town

2015

- Work out details/logistics
- County/City Joint Work Session – present plan
 - City pledges \$87k (from sale of Cox Comm)
 - County pledges \$100k from Hazard Abatement Fund
 - County to use \$75k judgment lien
- Balmer files bankruptcy petition

2016

- Joint County/City meeting authorizing Settlement Agreement
- Bankruptcy Court approves Settlement Agreement
- Clean-Up Begins

MAJOR PROVISIONS

- 10 properties surrendered to the City. All back taxes paid and back sewer bills written off. County pays for clean-up on 9, with large mobile home park at 125 N 5th Street being sold at auction with clean up responsibility borne by successful bidder.

{STATUS - Complete except for transfer of 309 A 6th Place. Title issues are now resolved and closing is expected to take place in next 30 days.}

MAJOR PROVISIONS

- 4 properties sold; buyer pays all back taxes. Proceeds applied to tax lien on former junk yard, City pays balance. Reinvestment made. {STATUS COMPLETE}
- City pays back real estate taxes on 4 properties retained by Balmer. {STATUS COMPLETE}
- County waives remaining judgment lien on former junkyard. {STATUS COMPLETE}
- Up to \$7,500 credit in dumpster/disposal costs to Balmer for 6 months. {STATUS PENDING - Deadline has been extended by City to 10/15/17. \$5,506.63 has been expended to date}

MAJOR PROVISIONS

- 15 vehicles tied up in bankruptcy released for disposition; County pays to dispose of all vehicles within Balmer's Fry parcels he doesn't retain. {STATUS COMPLETE. ALL DISPOSAL COSTS PAID FOR BY OWNER}
- Post petition taxes on remaining 3 tax deed parcels paid in 6 months. {STATUS COMPLETE}
- Balmer signs pre-annexation agreement on all remaining properties. {STATUS COMPLETE}

COMMUNITY BENEFITS

- 15 of Balmer's 30 properties transferred and cleaned up, including most egregious mobile home parks not part of tax deed process. City will work with non-profit partners to reinvest in neighborhood.
- An estimated 45-50 dilapidated mobile homes and dozens of junk vehicles removed from the Fry area.
- All liens lifted on former junk yard, increasing chance of sale/redevelopment.
- Over \$100,000 in back property taxes returned to governing bodies.

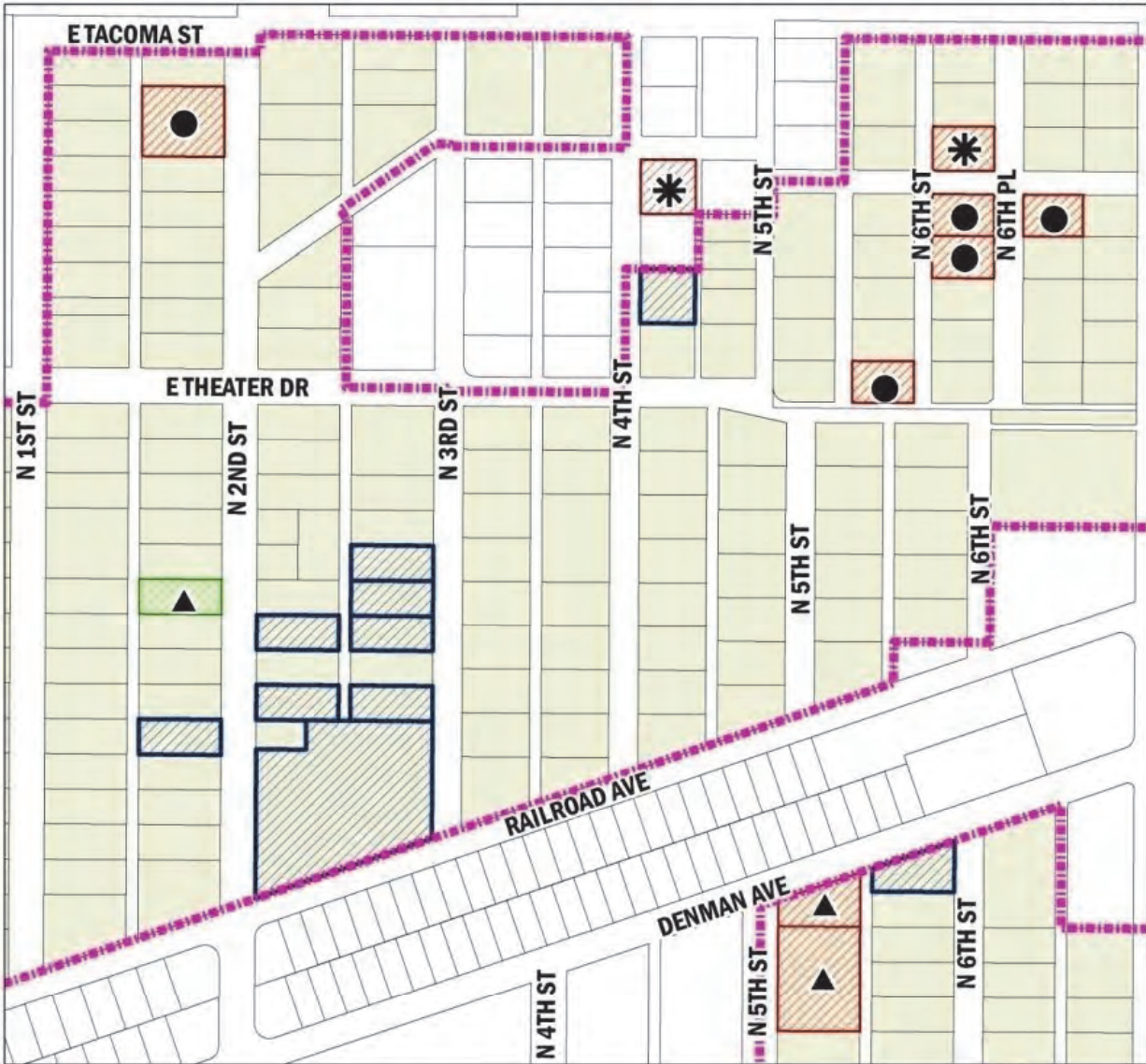
COMMUNITY BENEFITS







- No risk of City being out-bid if properties turned over to state and auctioned.
- Balmer provided with funding to clean up properties he retains.
- Balmer retains fewer properties, increasing chance of successfully maintaining and remaining current on taxes and other bills.

FRY TOWN SITE SETTLEMENT AGREEMENT	COSTS	REVENUES	BALANCE
CITY			
BACK PROPERTY TAXES PAID TO COUNTY	-\$100,486		-\$100,486
CLOSING COSTS ON PROPERTIES ACQUIRED	-\$7,237		-\$7,237
BACK SEWER CHARGES WAIVED	-\$11,088		-\$11,088
PROCEEDS FROM AUCTION OF 125 5TH ST		\$18,000	\$18,000
TOTAL	-\$118,810	\$18,000	-\$100,810
COUNTY			
DEMOLITION AND SITE CLEARANCE	-\$62,780		-\$62,780
DUMPSTER CREDIT	-\$4,600		-\$4,600
COUNTY JUDGEMENT LIEN FORGIVEN	-\$75,000		-\$75,000
BANKRUPTCY ATTORNEY	-\$16,532		-\$16,532
SOUTHWEST HAZARD COST ESTIMATING	-\$5,000		-\$5,000
PAYMENT ON JUDGEMENT LIEN		\$7,420	\$7,420
BACK PROPERTY TAXES PAID BY BALMER		\$24,653	\$24,653
TAXES PAID BY CITY*		\$100,485	\$100,485
216 N 2ND ST. (TO BE AUCTIONED)		TBD	
TOTAL	-\$163,912	\$132,558	-\$31,354
COMBINED TOTAL	-\$282,722	\$150,558	-\$132,164

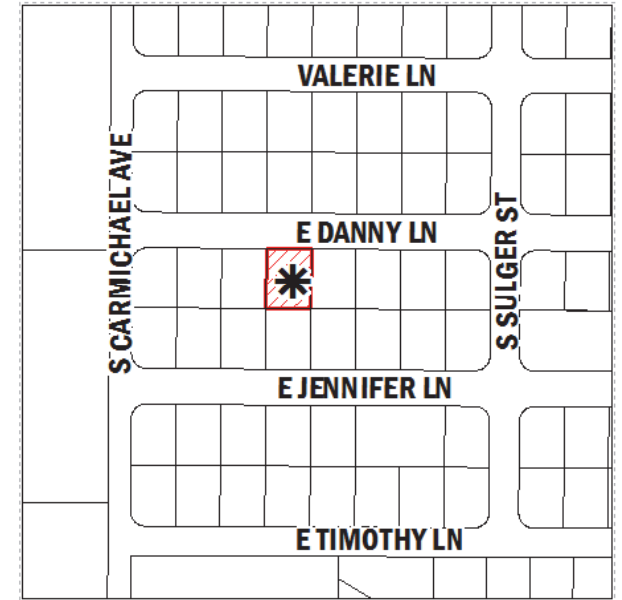
*Tax Split: County, 22%; Cochise College, 17%; Fry Fire, 23%; K-12, 38%

FRY TOWN SITE SETTLEMENT AGT PROPERTIES



-  CITY RETAINED
 -  CITY AUCTIONED (MR. FIX IT)
 -  CITY CONVEYED (HABITAT FOR HUMANITY)
 -  COUNTY AUCTIONED
 -  BALMER RETAINED OR SOLD (PRE-ANNEXATION AGREEMENT)
-  COUNTY

90 DANNY LN. - SULGER



ESTIMATED LAND VALUE OF PROPERTIES RETAINED BY CITY = \$123,416*

ESTIMATED LAND VALUE OF PROPERTIES CONVEYED TO HABITAT FOR HUMANITY = \$69,611*

*** Cochise County Assessor Records**



125 N. 5th ST



AFTER

125 N. 5th ST



307B N 4TH ST



300 N 6TH ST

ETACOMA ST

N 6TH ST

N 6TH PL



Before



After



311A N 6TH PL



309A N 6TH PL



309 N 6TH ST



Before



After

307 N 6TH ST



312/314 N 2ND ST



AFTER

312/314 N 2ND ST



90 DANNY LN

ACKNOWLEDGEMENTS

County

Board/Administration

Sheriff

**Planning Department/Zoning
Inspector**

Assessor

Treasurer

County Attorney

Abatement Work
Performed By:

City

Mayor and City Council

City Manager's Office

**Community Development/Code
Enforcement**

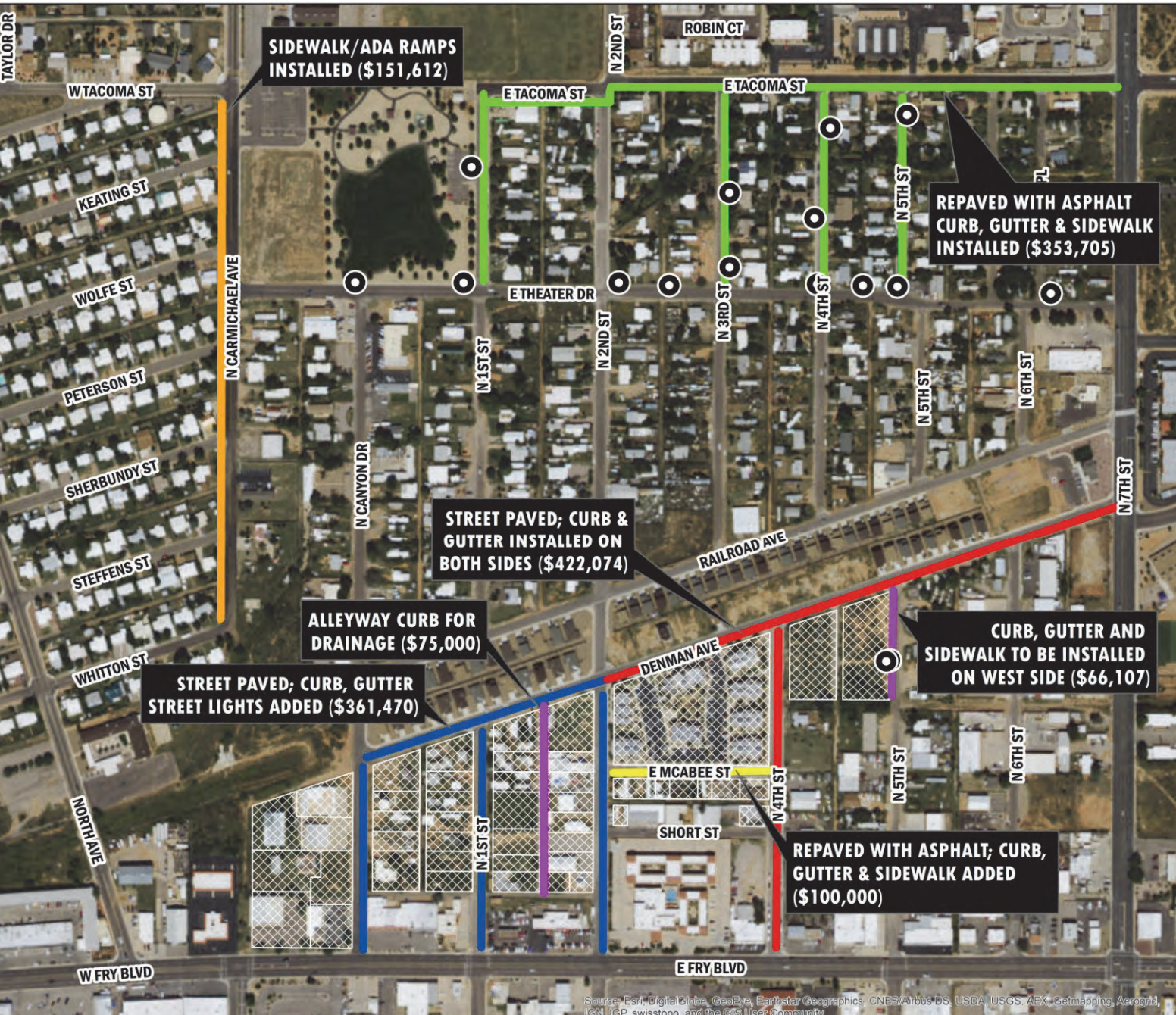
Finance/Procurement

Public Works

City Attorney



COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES



SEWER IMPROVEMENT

1997

RIGHT-OF-WAY IMPROVEMENT

- 1999
- 2001
- 2003
- 2007
- 2009
- 2018

SOLAR STREET LIGHTS (15)

2017

NEARLY \$2M IN CDBG FUNDS COMMITTED TO IMPROVING FRY TOWN SITE OVER PAST 20 YEARS!

FRY TOWN SITE CDBG FUNDED PROJECTS

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

FRY TOWNSITE ANNEXATION INITIATIVE





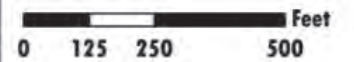
PETITION AREAS

- | | |
|---|---|
| 1 | 6 |
| 2 | 7 |
| 3 | 8 |
| 4 | 9 |
| 5 | |

**274 PROPERTIES
+/- 85 ACRES**

BALMER AGREEMENT

-  Pre-Annexation Agreement
-  City Acquired



PARTNERS IN PROGRESS

