

As part of the Ramsey City Council's 2011 strategic goals, it was established that developing an inventory of city owned land was a high priority. Staff developed and introduced an inventory of City owned land at the July 17 City Council worksession. The purpose of this case is to respond to the requests made by the City Council in the July meeting.

Observations:

JULY 17 CITY COUNCIL WORK SESSION—below are topics reviewed by staff in July when the "City Owned Lands" case was introduced:

- Process used by staff to determine an inventory of all City owned lands
- Categories used by staff to display the current/intended use of each City owned parcel
- List of potentially sellable City owned land (based on preliminary research)
- Multiple City owned land maps (i.e. all city owned parcels, potentially sellable parcels, wetland overlay)
- Difference between dedicated and non-dedicated parcels (many of the parcels are known to be dedicated)

In summary, 37 parcels were identified by staff as potentially developable. Twenty (20) properties had foreseeable restrictions. Seventeen (17) properties were identified as low or moderately restricted.

CITY COUNCIL REQUESTS-- As a result of the July 17 meeting, staff received direction to further investigate all the properties identified as low to moderately restricted. Below is a summary of the specific Council requests:

- Attain owner and encumbrance (O&E) reports for each identified parcel. NOTE: the purpose of an O&E report is to identify the last recorded owner, legal description, and recorded deed of trust. Additionally, outstanding easements or restrictions recorded to the title are uncovered. In order to be sure a property is sellable, the City Attorney needs to review the O&E report for each parcel.
- Determine if the identified parcels can be used for wetland banking; and, if the identified parcels are hindered by wetlands or storm water drainage.
- Determine City maintenance costs for each of the identified parcels.
- Determine disposition process for each of the identified parcels.

NOTE: Attached to this case is a detailed profile of each identified parcel (which includes responses to each individual City Council request).

FINDINGS:

Many of the properties thought to have low restriction, or thought to be non-dedicated, are in fact dedicated or have restrictions attached to their title. In other words, less properties than previously anticipated are ready to sell today. Please see the attached "breakdown of city owned lands" for more detail.

In summary, of the 37 City owned properties reviewed, 26 are dedicated or restricted, two (2) are owned by the State of Minnesota, and eight (8) are sellable today.

IMPORTANT CONSIDERATIONS—Beyond the requests made at the July 17 meeting, staff would like to note several important items regarding the sale of City Owned Land:

PROCESS/COST OF REMOVING RESTRICTIONS (I.E. PARK DEDICATION) FROM A PROPERTY TITLE:

Dedicated park land does not belong to the City, but rather is "The property of the dedicator or his successor in interest, in which the City, as trustee for the benefit of the public and not in its own right as such has such an interest as is necessary to enjoy the use thereof as a public [park]" *Headley v. City of Northfield* 35 N.W.2d 605 (1949).

To remove the "park use" designation will require a district court action with notification to the person/entity who dedicated the property, adjacent property owners and the Attorney General's Office. The Attorney General acts somewhat as the caretaker of the public's interest in property held in trust. The court will then decide if the park purpose restriction may be removed, and if so, who is entitled to receive title to the property. Meaning, even if the "park use" designation is removed the courts may still require the parcel to be given back to the original owner.

The City Attorney estimates the time for a district court action to remove the park restrictions is six months to one year, the variable depending on who needs to be given notice of the action, the difficulty of notification, plus how much opposition by interested parties may be brought opposing City action. Interested parties include neighbors who may not want to lose the park amenity.

A search for heirs or successors could be a very difficult, lengthy and expensive process for little gain since the City will most likely not end up with title to the property unless the City can convince the determined fee owner or entity in title to convey fee title for the property to the City. The City attorney does not recommend the City undertaking this process unless there is an obvious benefit. The estimated cost to go through this process is from \$2,000-\$5,000 per parcel.

PROCESS/COST OF RETURNING A PROPERTY TO ITS ORIGINAL OWNER (I.E. THE DEVELOPER):

Attorney will review at work session.

PROCESS/COST USING LAND FOR WETLAND BANKING:

In order to use city owned land for wetland banking, delineation must take place. That is, the City would need to hire a certified consultant to determine the extent of existing wetlands (vegetation, soils, and hydrology) per parcel. After delineation, the City can then entertain the option of banking. Delineation is estimated to cost \$1,000-\$1,500 per site. Therefore, there should be a significant desire to use a subject property for wetland banking before any further action is taken.

Staff is recommending that most of the identified properties not be used for wetland banking for multiple reasons. (1) many parcels are too high in elevation; costs to the City would be significant (2) many parcels are already wetland (3) many parcels are surrounded by developed land and there is no value in banking. NOTE: Properties 06 and 11 are candidates for banking--depending on how the properties are developed.

PROCESS FOR THE CITY TO SELL LAND (CONSIDERING IT IS SELLABLE):

In order to sell City owned land a "land sale ordinance" must be passed. This requires two meetings. First a public hearing and introduction to the City Council. Second, a meeting to adopt the "land sale ordinance." Following the second meeting is a 30 day grace period in which the public can petition the adopted ordinance.

There are a four (4) parcels Staff would like to discuss in more detail with the City Council. Parcels #22 & #34 are potential properties for quiet title action. Parcel #11 is eligible for sale, but will require right-of-way dedication and platting. Platting of the property could be accomplished by a future developer as part of the development process. Alternatively, the City could choose to plat the developable portion as outlot, reserving the necessary right-of-way, and make available to convey the outlot to a future developer. Finally, Staff would like to discuss the potential sale of a parcel known as Peltzer Park.

Recommendation:

Based on the attachment, Breakdown of City Owned Lands, there are two recommendations:

- Direct staff to begin the process of rezoning and listing all sellable properties (that are not already listed)
- Direct staff to begin the process of quiet title action for properties #22 and #34

Staff recommends that the City Council decides whether or not they would like staff to go through the process of returning dedicated parks, and other restricted parcels, to original property owners (there are 20 properties that fit this category).

Staff recommends that Council gives direction on how they would like to move forward with property #11 (specifically regarding the ROW and platting issues).

Finally, staff recommends that Council supply staff with direction regarding Peltzer Park (the City has free and clear title).