

POLICY FOR THE DISPOSITION OF SURPLUS CITY OWNED LAND

City of Ramsey, Minnesota

SECTION I: PURPOSE

To implement a policy for the sale of municipal owned land; including policy background, decision criteria and process.

SECTION II: POLICY BACKGROUND:

Each year the Ramsey City Council develops, and prioritizes, strategic goals. In 2011, the Ramsey City Council identified the need to develop an inventory of City owned lands as a priority.

The objective of developing an inventory of City owned lands was to specifically identify City owned parcels that are underutilized and unneeded for current or future City functions; and, to evaluate which parcels should be considered for disposition.

As outlined by the City Council, disposition of underutilized City owned properties has a number of benefits to the community:

- (1) Reduced City property maintenance costs
- (2) Reduced City liability
- (3) Increased base of taxable parcels
- (4) Reduction of surplus parcels unneeded by the City
- (5) Reduced City resources needed for management of City owned parcels
- (6) Reallocation of parcels to fit in line with long term City needs and goals

Furthermore, the City Council has determined that the demand for parks is shifting away from small neighborhood pocket parks to larger regional community parks. The cost to maintain a large number of small neighborhood pocket parks can be greater than the cost to maintain a small number of regional community parks. As such, the City Council will consider the consolidation of underutilized pocket parks in favor of larger regional parks.

A. INVENTORY FINDINGS, GENERAL

The City of Ramsey owns over 250 parcels city-wide. The majority of these parcels are wetlands, existing or planned trails, existing or future right of ways (ROW) and greenways. The remaining parcels are open spaces, existing or planned parks, Ramsey Housing and Redevelopment Authority (HRA) properties, Ramsey Economic Development Authority (EDA) properties and locations of various municipal facilities.

36 City owned parcels have been identified by staff as underutilized, potentially developable and unneeded for current or future City functions. Of the 36 total properties, 24 properties were found to be legally dedicated/ restricted and eight (8) properties were

found to have free and clear title. The remaining four (4) properties were omitted. Included in the appendix, Exhibit A, is a reference map depicting staff findings.

B. INVENTORY FINDINGS, DEDICATED PROPERTIES

The majority of dedicated/ restricted parcels were acquired from developers and originally intended for future park use. For a number of reasons, these properties were never developed into parks and have stood vacant for many years.

The most common title restriction of the 24 dedicated properties is a “*public use only forever*” dedication. Meaning, the 24 dedicated properties cannot legally be used for anything but a public use, regardless of the owner. Furthermore, because the City is a trustee of the 24 said properties, and not a free and clear owner, the City does not have the ability to sell said properties.

To release dedicated parcels, the “*public use only forever*” restriction would first need to be removed. After removal of title restrictions, properties would need to be offered back to the original owners.

C. INVENTORY FINDINGS, NON DEDICATED PROPERTIES

Eight (8) properties were found to have free and clear title. Meaning, from a legal standpoint, these properties are ready to sell today. Of the eight (8) free and clear properties, five (5) parcels are currently being marketed by the Ramsey EDA for economic development purposes. The remaining three (3) parcels are located off Puma Street/Alpine Drive, 178th Avenue/Vicuna Street and 146th Lane/Kamacite Street, known as Peltzer Park.

SECTION II: DECISION CRITERIA

Consideration for disposition will be given to each property on an individual basis. Listed below, is the decision criteria to be used by the Council:

- (1) Public input and feedback
- (2) Maintenance costs
- (3) Title restrictions
- (4) Ability to develop
- (5) Stormwater and drainage limitations
- (6) Proposed future zoning
- (7) Utilities availability
- (8) Long term City needs and plans
- (9) Assessed value
- (10) Method to market and sell property
- (11) Cost to market and sell property

For properties that are legally dedicated, the City will consider the criteria below in addition to the previously stated list:

- (12) Legal costs, quiet title action
- (13) Legal costs, removal of legal dedication from title

The decision criteria listed above, 1-14, will be documented in a findings-of-fact document for each property before it is brought forward to Council for consideration; thus, initiating the process for the sale of city owned lands outlined in Section III.

SECTION III: PROCESS

As the City investigates the potential disposition of City owned lands, the process below shall be followed.

STEP 1

NOTIFY PUBLIC (A):

Notify affected property owners of a potential disposition; and, invite interested property owners to attend the next Mayor's Town Hall Meeting.

The purpose of this meeting is to gather, and document, public input on a potential disposition.

Mail notification will be given to property owners within 350' of the subject property 14 days before said meeting.

FINDINGS OF FACT (B):

Staff will create a draft findings-of-fact document to be brought forward to the Council in a worksession meeting. The findings-of-fact document will contain the decision criteria outlined in Section II of this policy.

At the meeting, Council will review the findings-of-fact document and consider moving forward to step two of this process.

Mail notification will be given to property owners within 350' of the subject property 14 days before said meeting.

STEP 2:

ORDINANCE:

An ordinance shall be passed to declare the intentions of the council. The City should not move forward with listing or rezoning properties until an ordinance is passed.

Adopting an ordinance allows the public another opportunity to voice their opinion, for the council to discuss their viewpoints and fore-fills the legal process of selling City owned land.

Mail notification will be given to property owners within 350' of the subject property 14 days before said meetings.

STEP 3:

ZONING AMENDMENT (A):

Third, properties shall be rezoned to the appropriate classification.

Rezoning a property before it is listed makes the property marketable. If properties are not rezoned, it may make potential buyers apprehensive. Furthermore, a rezoned property allows potential property owners to better evaluate the potential use of a property. This process is done by Ordinance and requires a Public Hearing.

For information on rezoning: Chapter 117, Section 49.

COMPREHENSIVE PLAN (B):

If the proposed zoning amendment also changes the land use designation on the Future Land Use Map, a Comprehensive Plan Amendment shall be required. This process requires approval by the Metropolitan Council, often times done administratively. This process is done by Resolution and requires a Public Hearing.

STEP 4:

MARKET:

Marketing properties could be done by means of a realtor, auction or for-sale-by-owner.

The City Council will make this decision on a case by case basis, based on the criteria outlined in the findings-of-fact document.

STEP 5:

PURCHASE AGREEMENT:

City staff and a potential buyer will negotiate a purchase agreement. After an agreement is negotiated, a draft will be brought back to the City Council for discussion and approval.

The 24 properties identified as dedicated or restricted will begin this process at step one, as outlined above. Then, under direction of the City Attorney, follow the process outlined below:

- A. Contact previous property owner(s) to if they would be willing to give their property to the City, with free and clear title
- B. Take property title to court and attempt to remove restrictions
- C. Return property with free and clear title to original owner; or retain City ownership
- D. In the event the City retains ownership, the process would continue at step two outlined above. In the event the property is returned to the original owner, the disposition process would end.