



City Council Memorandum

To: Mayor Fasbender and City Council
From: Justin Fortney, City Planner
Date: June 5, 2023
Item: Public Hearing - Disposition of a portion of City Owed Land: Northwest of Spiral Boulevard and Glendale Road PID 190350084010

City Council Action Requested

Hold a public hearing pertaining to disposition of City owned property located northwest of Spiral Blvd and Glendale Road. Future action on a resolution establishing findings of fact for the disposition as well as sale of the property to Northern State Services, LLC (Richard Ries) is planned for the June 26th meeting.

Background Information

The City owns approximately 20 acres located west of Glendale Road that is bisected by Spiral Blvd. Approximately 3.42 acres is located north and west of Spiral Blvd, with the remaining acreage located south and east of Spiral Blvd.

Northern State Services recently purchased a 19.37-acre parcel directly to the north and plans to split the property into two lots for residential homes. The property is zoned Agriculture which establishes a 10-acre minimum lot size. The properties are outside of the present and planned extension of the Metropolitan Urban Service Area (MUSA) which establishes the boundary for municipal sewer and water service. Northern State seeks acquisition to meet the minimum lot size of the Agricultural zoning district and to establish frontage along Spiral Blvd to utilize an existing driveway access.

A purchase price of \$60,960 has been offered based for the 3.42-acre parcel. The offer is consistent with the price per s.f. paid for the adjoining property. As part of the land purchase, the applicant agrees to plat the property which would establish dedicated right-of-way for Spiral Blvd that does not presently exist and is desired by the City.

History

The 3.42-acres proposed for sale is part of a larger parcel the city uses for some material storage and was a former dump site. The subject Property was separated from the parcel with the construction of Spiral Blvd. This remnant is sloped, unusable, and too small to be developed on its own. The city currently maintains it but has no use for it.

Upon acquisition of the City parcel the two lots would meet the minimum requirements for a single-family home. There are no city utilities available currently and the location is

out of the Municipal Services Area. With the future wastewater treatment plant relocation, there may or may not be services accessible to these properties in the future. City ordinance would require connection to future city utilities if they become available.

City Charter Provisions

Section 7.04 of the City Charter establishes the following provisions for the sale of real property held by the City:

No real property of the City shall be disposed of unless the Council shall first pass a resolution containing specific findings that the public interest requires that the property be disposed of, and only after public notice and hearing of such proposed disposition. The proceeds of any sales of such property shall be used, as far as possible, to retire any outstanding indebtedness incurred by the City in the purchase, construction or improvement of this property. If there is no such outstanding indebtedness, the Council may by resolution designate some other public use for the proceeds. Sales of real property owned by the City shall be conducted in commercially reasonable manners.

Recommendation

Staff supports disposition of the property finding that the public interest requires disposal and there is no present or anticipated use of the property. Staff further agrees with the sales price offered.

Financial Impact:

Sale of the property will generate \$60,960 in revenue as well as an increase in the community's annual tax base. City maintenance expenses for the property will cease.

Advisory Commission Discussion:

N/A

Council Commission Discussion:

N/A

Attachments:

- Proposed Plat – Draft
- Aerial Map

Richard Reis Property



City Property for disposition/ sale