

COUNCIL COMMITTEE OF THE WHOLE

AGENDA



MAY 15, 2018 - 6:00 P.M.

REVISED

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA, DOVER, DELAWARE

REVISED BY REMOVING "PROPOSED ORDINANCE #2018-03 AMENDING THE DOVER CODE OF ORDINANCES BY CREATING A NEW CHAPTER 84 - PUBLIC SAFETY FEE" FROM THE LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE AGENDA

PUBLIC COMMENTS ARE WELCOMED ON ANY ITEM AND WILL BE PERMITTED AT APPROPRIATE TIMES. WHEN POSSIBLE, PLEASE NOTIFY THE CITY CLERK (736-7008 OR E-MAIL AT CITYCLERK@DOVER.DE.US) SHOULD YOU WISH TO BE RECOGNIZED.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

AGENDA ADDITIONS/DELETIONS

- 1. UPDATE - DOVER PARK MASTER PLAN**
(COMMITTEE ACTION NOT REQUIRED)
- 2. ADJOURNMENT OF PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE MEETING**

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

AGENDA ADDITIONS/DELETIONS

- 1. SALE AND DISPOSITION OF EXCESS REAL PROPERTY**
(STAFF RECOMMENDS THE FOLLOWING: 1. DETERMINE THAT THE PROPERTY IS EXCESS PROPERTY; 2. AUTHORIZE THE CITY MANAGER TO CONVEY THE EXCESS PROPERTY IN ACCORDANCE WITH CHAPTER 2, SECTION 2-422 D - STANDARD METHOD OF DISPOSITION UNLESS REQUESTED BY THE CITY COUNCIL TO DISPOSE IN ACCORDANCE WITH CHAPTER 2, SECTION E - EXCEPTION TO STANDARD METHOD OF DISPOSITION; AND 3. AUTHORIZE THE CITY MANAGER'S OFFICE TO NEGOTIATE A FINAL SALE PRICE)
- 2. ADJOURNMENT OF LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE MEETING**

ADJOURNMENT OF COUNCIL COMMITTEE OF THE WHOLE MEETING

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. PURSUANT TO 29 DEL. C. §10004(E)(2), THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS, WHICH ARISE AT THE TIME OF THE MEETING.

ACTION FORM

PROCEEDING: Legislative, Finance, And Administration Committee	
DEPARTMENT OF ORIGIN: City Manager's Office	DATE SUBMITTED: 04-27-18
PREPARED BY: Kirby A. Hudson, Assistant City Manager	
SUBJECT: Sale and Disposition Of Excess Real Property	
REFERENCE: N/A	
RELATED PROJECT: N/A	
REVIEWED BY: Donna S. Mitchell, City Manager	
EXHIBITS: <u>Exhibit A</u> : Chart Summary - a listing of 9 City owned properties to affect the sales and disposition of real property, to be sold to the public as described in the City of Dover Code Ordinances. <u>Exhibit B</u> – Detailed Chart of 9 City owned properties having current / former liens and collectible debt for taxes, utilities, special assessments, and all other code violations which are collectible under City Ordinance. Assessed property values have also been provided. <u>Exhibit C</u> – Ordinance for The Sale and Disposition of Real Property – City of Dover Code Ordinances, Chapter 2- Administration, Article V- Finance, Section 2-422, (a) (b) (c) (d), (1) a,b,c,d, (2) a,b,c,d,e, (3) a,b,c,d, (4) a,b,c,d,e,f and (5) a - authorizes the sale and disposal of excess property.	
EXPENDITURE REQUIRED: \$0 AMOUNT BUDGETED: N/A	
FUNDING SOURCE (Dept./Page in CIP & Budget): N/A	
TIME TIMETABLE: As Needed Basis	
RECOMMENDED ACTION: City Manager's Office Requests authorization to dispose of excess real property as predicated in Chapter 2, Section 2-422 d – “Standard Method of Disposition unless requested by the City Council to dispose under 2-422 e – “Exception To Standard Method Of Disposition”. In addition, the City Managers Office is requesting to be able to negotiate a final sale price.	

BACKGROUND AND ANALYSIS

The City of Dover has an ordinance for the Sale & Disposition of Real Property. The ordinance includes a “Standard Method of Disposition” which, begins at the Legislative, Finance and Administration Committee. The steps are articulated in the ordinance (see Exhibit C). After receiving a favorable recommendation by Committee, City Council can declare the properties as excess or surplus property and subsequently, approve the disposal of said properties.

The City of Dover acquired the 9 subject properties listed in Exhibit A & B at monitions sales due to outstanding collectible debt ie... liens and demolition expenses. It has been determined by the Administration and the City's Planning Office that the subject properties have no economic development plans and are not required by any other City Department. In addition, instituting a zoning change would have no effect, a zoning change would not enhance the sale value for any of these parcels. There is no advantage to any interest group within Dover City government to own these properties. Aside from these properties having no strategic value, they are expensive to maintain, some have become eyesores and others have begun to drag down property values. As such, the City has no use for these excess properties and is better served by these properties being sold to the public for redeveloped and being restored as taxable properties. There is absolutely no loss to the City by the disposition of these properties because, the city gets revenue from the sale(s), the City avoids blame for dilapidated land, our local landlords and developers will love the opportunity to develop the property and, the citizens living near these properties will be happier for the positive property changes being made.

The City Manager's Office is requesting authorization from the Legislative, Finance and Administration Committee to approve the disposal of excess real property and that the disposal of such land will be beneficial to the City of Dover.

EXHIBIT A**City of Dover
Properties Proposed for Sale - Summary**

Property Address				Location ID	Parcel ID	Property Tax Assessed Value	Property Liens Total
1502		Rear College	Road	61280	ED 05-067.18-01-04.00	\$900.00	\$831.69
145	N	Ann	Street	2856	ED 05-067.15-02-35.00	\$39,700.00	\$22,248.84
1370		College	Road	9586	ED 05-067.17-01-56.00	\$37,400.00	\$32,199.57
Land -237		Rear College	Road	60636	ED 05-076.10-05-05.001	\$52,000.00	\$2,483.00
Land		White Oak	Road	13218	LC 05-068.00-01-080.01	\$36,500.00	\$1,299.27
423		Collins	Drive	3306	ED 05-077.10-02-15.00	\$39,200.00	\$1,593.38
715		Slaughter	Street	6924	ED 05-076.08-06-38.00	\$9,600.00	\$8,290.17
416	W	Division	Street	17328	ED 05-076.12-03-33.00	\$39,400.00	\$1,685.55
710		Slaughter	Street	15910	ED 05-076.12-03-27.00	\$38,700.00	\$14,297.11

EXHIBIT B

City of Dover Properties Proposed for Sale - Detail

Property Address			Current Base Taxes + Penalties	Write Off Base Taxes + Penalties	Current Vacant Building Fees	Write Off Vacant Building Fees	Current Grass Cutting Fees	Write Off Grass Cutting Fines	Write Off Sheriff Fees	Current Bulk Trash Fees	Write Off Bulk Trash Fees	Current Demo Charges	Write Off Demo Fees	Current Utility Fees Electric Water & Sewer	Write Off Utility Fees	Total
1502		Rear College Road	\$831.69													\$831.69
145	N	Ann Street	\$1,939.97		\$375.00		\$1,775.00			\$48.62		\$17,949.25		\$161.00		\$22,248.84
1370		College Road	\$1,844.57		\$500.00							\$29,855.00				\$32,199.57
Land -237		Rear College Road		\$1,554.50				\$928.50								\$2,483.00
Land		White Oak Road		\$480.77				\$818.50								\$1,299.27
423		Collins Drive		\$331.38			\$400.00	\$778.50							\$83.50	\$1,593.38
715		Slaughter Street		\$691.42									\$7,598.75			\$8,290.17
416	W	Division Street		\$407.05		\$500.00		\$778.50								\$1,685.55
710		Slaughter Street		\$532.38		\$250.00		\$573.73	\$778.50		\$75.00		\$12,087.50			\$14,297.11

EXHIBIT C

CITY OF DOVER ORDINANCE #2017-02

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

Sec. 2-422. - Sale and disposition of real property.

- (a) *Authorized.* Except as otherwise provided and upon approval of the city council, the city manager is hereby authorized to sell or dispose of excess property.
- (b) *Determination of excess status.* The city manager, upon determining that a city owned parcel of land is excess in nature and that the disposal of such land would be beneficial to the City of Dover, will request, through the legislative, finance, and administration committee, that city council consider disposal of such land.
- (c) *Costs of conveyance.* Unless otherwise specified by the city council, all fees and costs, legal or otherwise, associated with the sale and conveyance of all excess lands shall be paid by the purchaser.
- (d) *Standard method of disposition.*
 - (1) The legislative, finance, and administration committee, upon receiving a request to dispose of excess real property, shall, prior to making a recommendation to city council, request all pertinent information including, but not limited to, the following:
 - a. Determination that subject parcel is not required by any other city department.
 - b. Written explanation of why subject parcel is now surplus.
 - c. Determination of whether a zoning change would enhance the sale value of subject parcel and recommend said change if warranted.
 - d. Determination if the parcel's exact location and size is known and, if not, recommend whether said parcel should be surveyed by the city prior to any sale attempts.
 - (2) City council, after receiving a positive recommendation from the legislative, finance, and administration committee to dispose of a surplus parcel of land, shall, as part of its deliberations:
 - a. Determine if disposal of the parcel is in the city's best interests.
 - b. Determine if disposal by sale, gift, or some other means would best serve the city's interests.
 - c. Determine if the city planner should be requested to initiate rezoning procedures.
 - d. Publicize the pertinent information concerning the surplus parcel and its availability for purchase to the general public at least once a week for two weeks in a local newspaper.
 - e. Make public, and a part of the record, all written correspondence received and, after the publicizing requirements of subsection (2)d. are met, hold a public hearing to receive any other citizen input.
 - (3) City council, after voting to proceed with the sale of surplus land, shall determine:
 - a. If an unbiased appraisal is needed to establish a minimum acceptable price.
 - b. Whether to sell the parcel by public auction or by sealed bid, and what the minimum acceptable offer will be.
 - c. The degree and scope of advertising, with a minimum of exposure being advertisement once a week for two weeks in a newspaper of general circulation within the county.
 - d. Whether the circumstances of and surrounding a particular sale may be such that the best interests of the city would be served by listing the property for sale with a licensed real estate agent.

- (4) City staff shall, with city council's direction:
 - a. Arrange for advertisement of the sale.
 - b. Draft the sale bill setting out a description of the parcel to be sold, time, date, and place of sale or bid opening, the terms and conditions of sale, and the city's reservation of acceptance or rejection of any or all bids received at the time of sale or bid opening.
 - c. Order and distribute a sufficient number of sale bills for posting and distribution in the county courthouse, at the site, and in the general area of the parcel.
 - d. Obtain the services of a professional auctioneer if said sale is to be a public auction.
 - e. Conduct the sale and submit the results to city council.
 - f. Obtain the services of a licensed real estate agent if the sale is to be brokered.
 - (5) City council, after confirming the sale, shall:
 - a. Request the city solicitor to prepare a deed for execution and to arrange for final settlement with the purchaser, at which time the city will deliver the deed, the purchaser will pay all balances due, and the city solicitor will record said deed in the Recorder of Deeds Office for Kent County.
- (e) *Exceptions to standard method of disposition.*
- (1) Exception A—Sale to an abutting owner. When, in the opinion of city council, a public sale would be detrimental to the lands of an abutter, and/or that a public sale would place the abutter at undue risk; or that the combination of abutter's land and city's land would be substantially greater in value than that of the sum of the parcels considered individually, city council may direct the city assessor to have prepared one or more unbiased fee appraisals of the parcel. Thereafter, the subject land will be offered for sale to the said abutter at the appraisal price, plus the appraisal fees, plus the legal costs. In the event the offer is not accepted, a public sale may be ordered.

Examples of detrimental affect might be when the surplus city parcel lies between an abutting property and the street and development of the parcel would obstruct visibility of the abutter's property, or when the surplus parcel is zoned multi-family and abuts a single-family parcel.
 - (2) Exception B—Trade of lands. Trade of lands may be approved when it is shown beyond doubt that such a trade will be equal to or better than the lands to be traded either on a "square foot for square foot" measure and/or on a "dollar for dollar" measure.
 - (3) Exception C—Conveyance of odd shaped and/or unbuildable parcels. City acquisitions for roads, utility usages, etc. may, after such usage is accomplished, leave a small strip of land that is odd shaped and unbuildable. City council may approve the conveyance of this strip of land to an abutting property owner on request of said owner. The price for these lands shall be at the same cost basis as that paid by the city. If conveyance is made in excess of two years after the date of city acquisition, then the consideration shall either be based on a price established by an unbiased fee appraisal made on the basis of the value added to the abutting property by the acquisition of said lands, or on the city's cost basis for the parcel adjusted for inflation, whichever city council shall select. All fees, legal or otherwise, associated with the conveyance are to be paid by the purchaser.
 - (4) Exception D—Sale of small or irregular shaped lot to an abutting owner. If any excess parcel of land is too small or irregular in shape to be of any value to anyone other than an abutting owner, it may be sold to such owner at either its fee appraised fair market value, or at its fair market value as established by the city's assessment records, whichever city council shall select. The costs of the appraisal and all legal costs shall be paid by the owner requesting the conveyance.
 - (5) Exception E—Donation of land to non-profit organizations. If, in the opinion of city council, the donation of a parcel of excess land to a non-profit organization would be in the best interest of the city, council then reserves unto itself the right to make such donation.

(Code 1981, § 2-80; Ord. of 3-12-2001; Ord. No. [2017-02](#), 2-13-2017)