LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE AGENDA

JUNE 22, 2015 - 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

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.

AGENDA ADDITIONS/DELETIONS

1. **DISPOSITION OF CITY OWNED LAND - PROPERTIES LOCATED AT 423 COLLINS DRIVE, 749 WEST NORTH STREET, AND 29 SOUTH GOVERNORS AVENUE**
   (STAFF RECOMMENDS THE FOLLOWING: 1. DETERMINE THAT THE PROPERTIES ARE EXCESS PROPERTY; 2. AUTHORIZE THE CITY MANAGER TO DISPOSE OF THE SUBJECT PROPERTIES USING THE "STANDARD METHOD OF DISPOSITION".)

2. **DISCUSSION ITEMS PROPOSED DURING BUDGET REVIEW**
   - **A. DUE DILIGENCE RESEARCH ON HEALTH INSURANCE COSTS**
   - **B. PERFORMANCE AUDIT OF CIVILIAN SIDE OF CITY GOVERNMENT**
   - **C. PROPOSED NEW REVENUE SOURCES FOR FY 2016/17**
   - **D. PUBLIC SAFETY FEE STUDY**
   - **E. REVIEW OF ALL LIFECYCLE ITEMS (REPORT TO COMMITTEE IN 90 DAYS)**
   - **F. REVIEW OF INTERNAL APPLICANT HIRING/TRAINING OPPORTUNITIES**
   - **G. REVIEW OF THE PAY SYSTEM**
   - **H. REVIEW OF PLANNING APPLICATION, ZONING VERIFICATION, ITINERANT MERCHANT, SAFE COMMUNITIES, RESIDENTIAL VACANT BUILDING AND HOUSING VIOLATION FEES**
   - **I. REVIEW OF PLANNING AND INSPECTIONS FEES (BY DECEMBER 31, 2015)**
   - **J. TIMELINE FOR REVIEW OF FISCAL YEAR 2016/17 BUDGET**

3. **ADJOURNMENT BY 7:00 P.M.**

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee
DEPARTMENT OF ORIGIN: City Manager's Office **DATE SUBMITTED**: June 10, 2015
PREPARED BY: Scott D. Koenig, P.E., City Manager
SUBJECT: Disposal of Excess Property – Properties located at 423 Collins Drive, 29 South Governors Avenue, and 749 West North Street
REFERENCE: N/A
RELATED PROJECT: Violation of Dangerous Bulding Ordinance – City Demolition of Subject Properties; City of Dover 2008 Comprehensive Plan
APPROVALS: Scott D. Koenig, P.E., City Manager and Donna Mitchell, CPA, City Controller
EXHIBITS: Exhibit A – 423 Collins Drive Map, Exhibit B – 749 West North Street Map, Exhibit C – 29 South Governors Avenue, Exhibit D - Procedure for Sale and Disposition of Real Property
EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIMETABLE: N/A
RECOMMENDED ACTION: 1. Determine that the subject properties are excess property; 2. Authorize the City Manager to dispose of the subject properties using the "Standard Method of Disposition".

BACKGROUND AND ANALYSIS

The City of Dover acquired the subject properties at a monition sale due to liens for taxes and demolition expenses. These are excess properties, as the City has no use for the property and is better served by these properties being redeveloped and restored as taxable properties.

The City of Dover has a procedure for Sale and Disposition of Real Property. The procedure includes a "Standard Method of Disposition" which begins at the Legislative, Finance and Administration Committee. The steps are articulated in the procedure, but include first a decision by Council (after a favorable recommendation by the Committee) to dispose of the surplus property, and subsequently the method of disposal (auction or sealed bid).

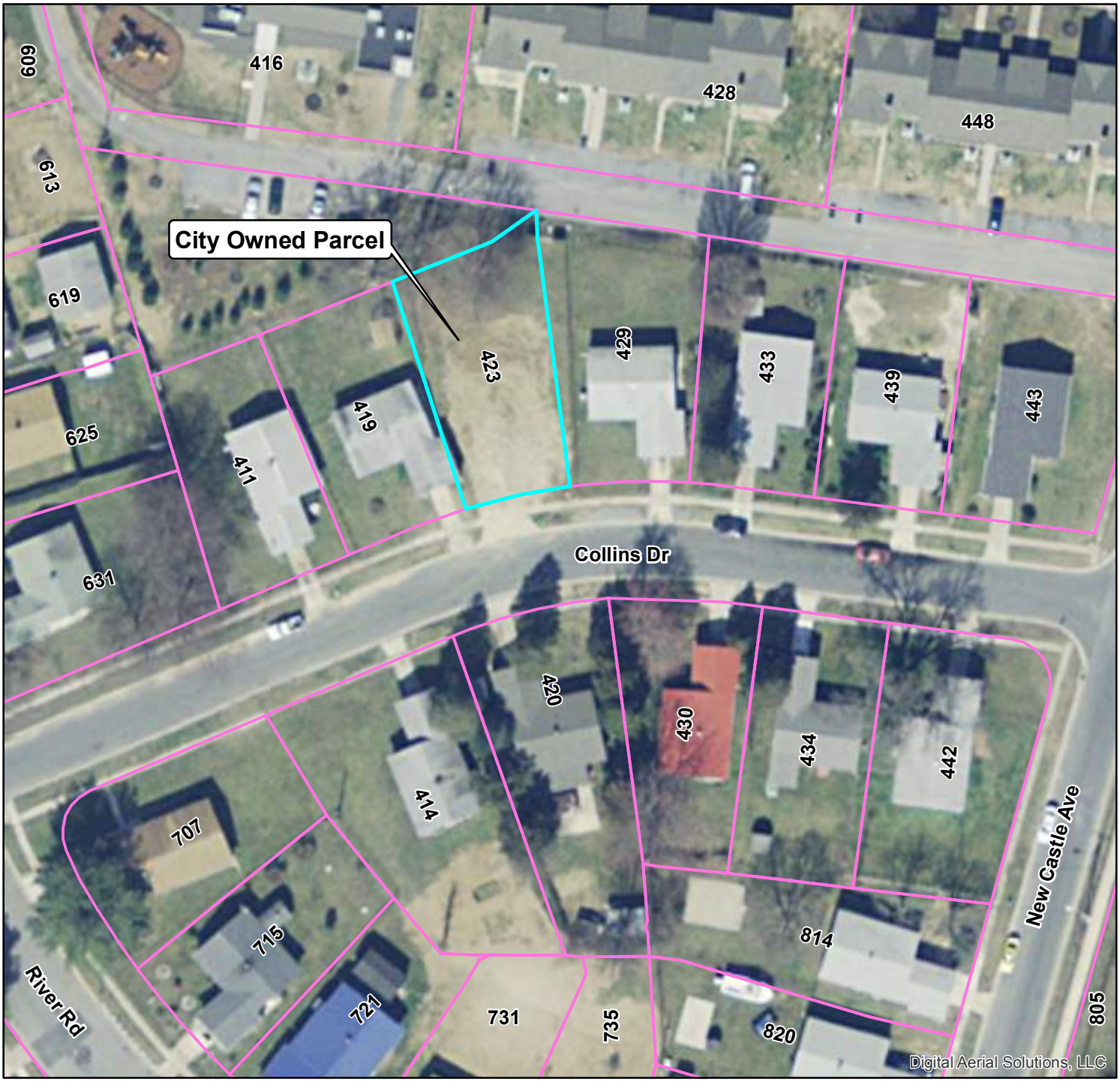
Address	City Expenses and Other Charges[a]	City's 2015 Assessed Land Value
423 Collins Drive	$ 20,481.13	$ 39,200
29 S. Governors Ave.	$ 23,828.90	$ 13,600
749 W. North Street	$ 19,889.45	$ 52,300

The City Manager recommends disposing of the property using the "Standard Method of Disposition". The City could potentially recover additional costs and reduce the amount of the potential write-off by seeking bids on the vacant property. Additionally, these properties are not located in the areas where local housing non-profit organizations are focusing their efforts to acquire and develop properties.

[a] Inclusive of property tax, sheriff sale prep fees, grass charges, utility charges, and demolition charges

EXHIBIT A

423 Collins Drive
Property for Disposal



0 50 100 Feet

Date Printed: June 15, 2015
File: m:\gis_data\projects\tech_mxds
\exhibit_a_423_collins_dr
Department: Public Works GIS
City of Dover, Delaware

N

Legend

Dover Parcels

EXHIBIT B

749 West North Street
Property for Disposal



0 50 100 Feet

N

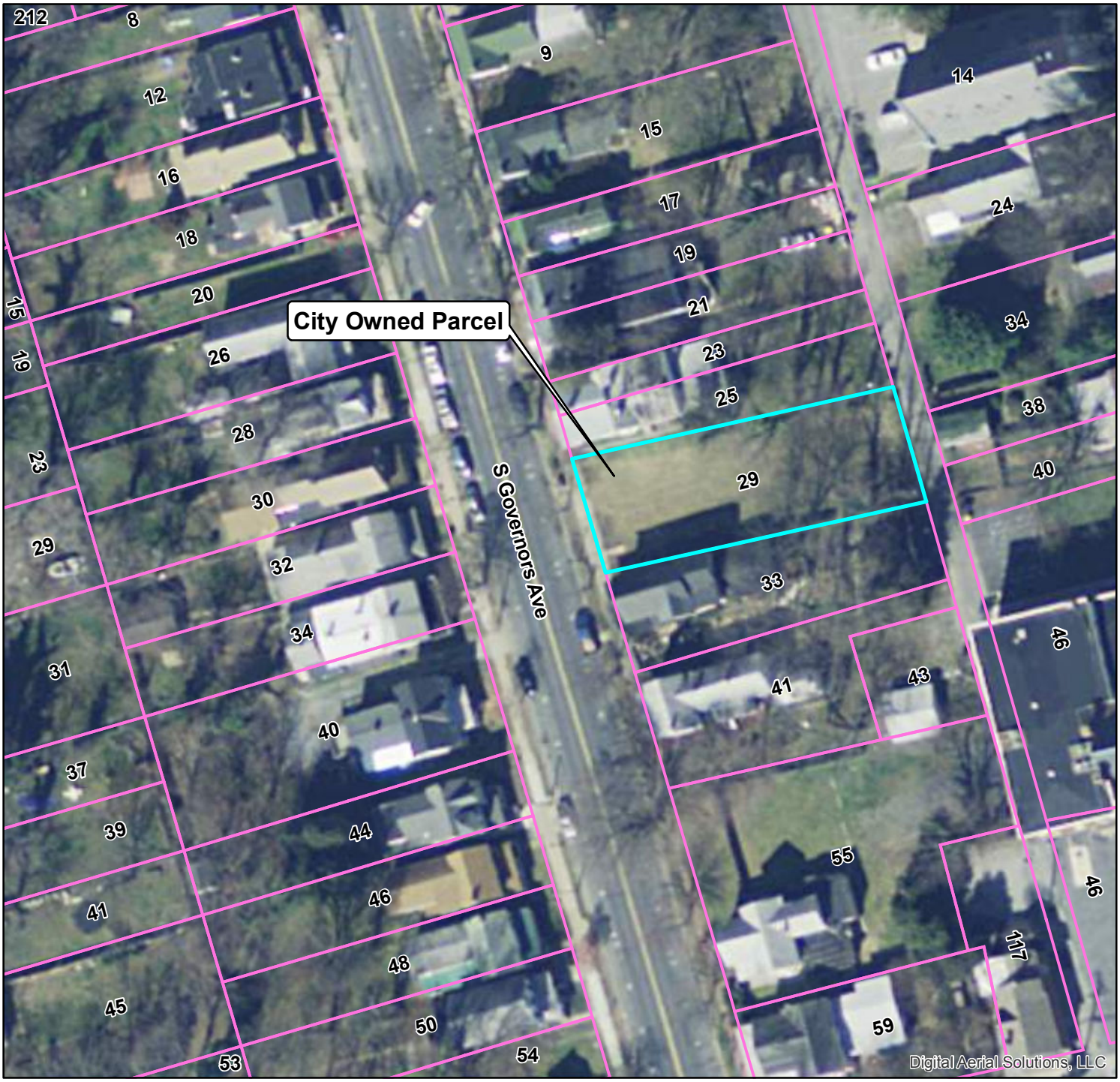
Date Printed: June 15, 2015
File: m:\gis_data\projects\tech_mxds
\exhibit_b_749_w_north_st
Department: Public Works GIS
City of Dover, Delaware

Legend

Dover Parcels

EXHIBIT C

29 South Governors Avenue
Property for Disposal



0 50 100 Feet

Date Printed: June 15, 2015
File: m:\gis_data\projects\tech_mxds
\exhibit_c_29_s_governors_ave
Department: Public Works GIS
City of Dover, Delaware

N

Legend

Dover Parcels

Adopted 10/14/14

PROPOSED PROCEDURE

FOR SALE AND DISPOSITION OF REAL PROPERTY

1. PURPOSE

To establish a policy for the City of Dover regulating the sale and disposition of excess lands.

2. LAWS AND POLICIES

City of Dover Code of Ordinances, Chapter 2, Article IV, Section 2-99, authorizes the sale and disposal of excess property.

This policy will standardize the procedure for disposal of excess City owned real property.

3. DETERMINATION

A City Staff member, 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 and Finance Committee, that the Dover City Council consider disposal of such land.

4. STANDARD METHOD OF DISPOSITION

A. The Legislative and Finance Committee, upon receiving a request to dispose of excess real property, shall, prior to making a recommendation to the Dover City Council, request all pertinent information including, but not limited to, the following:

a-1) determination that subject parcel is not required by any other City department.

a-2) written explanation of why subject parcel is now surplus.

a-3) determination of whether a zoning change would enhance the sale value of subject parcel and recommend said change if warranted.

a-4) determine if 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.

B. Dover City Council, after receiving a positive recommendation from the Legislative and Finance Committee to dispose of a surplus parcel of land, shall, as part of its deliberations:

b-1) determine if disposal of the parcel is in the City's best interests.

b-2) determine if disposal by sale, gift, or some other means would best serve the City's interests.

b-3) determine if the City Planner should be requested to initiate rezoning procedures.

b-4) 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.

b-5) make public, and a part of the record, all written correspondence received and, after the publicizing requirements of Section 4, Paragraph B(4) are met, hold a public hearing to receive any other citizen input.

C. Dover City Council, after voting to proceed with the sale of surplus land, shall determine:

c-1) if an unbiased appraisal is needed to establish a minimum acceptable price.

c-2) whether to sell the parcel by public auction or by sealed bid, and what the minimum acceptable offer will be.

c-3) 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.

c-4) 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.

D. City Staff shall, with Council direction:

d-1) arrange for advertisement of the sale

d-2) 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.

d-3) 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-4) obtain the services of a professional auctioneer if said sale is to be a public auction.

d-5) conduct the sale and submit the results to Dover City Council.

d-6) obtain the services of a licensed real estate agent if sale is to be brokered.

E. Dover City Council, after confirming the sale, shall:

e-1) 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.

F. 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 Council shall select. The costs of the appraisal and all legal costs shall be paid by the owner requesting the conveyance.

G. Costs of Conveyance

Unless otherwise specified by Dover 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.

5. EXCEPTIONS TO STANDARD METHOD OF DISPOSITION

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, Dover 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, of when the surplus parcel is zoned multi-family and abuts a single family parcel.

Exception B.

Trade of lands: A 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.

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. Dover 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 Dover City Council shall select. All fees, legal or otherwise, associated with the conveyance are to be paid by the purchaser.

Exception D.

Donation of Land to Non-Profit Organizations: If, in the opinion of Dover City Council, the donation of a parcel of excess land to a non-profit organization would be in the best interest of the City of Dover, Council then reserves unto itself the right to make such donation.