Council File #_____
Green Sheet # 3068960

ORDINANCE
CITY OF SAINT PAUL, MINNESOTA

Presented by_____

An administrative ordinance to amend Saint Paul Administrative Code Chapter 51, Disposition of City Property, to facilitate title changes and administrative reorganization.

THE COUNCIL OF THE CITY OF SAINT PAUL DOES ORDAIN:

Section 1

Section 51, Disposition of City Property, of the Saint Paul Administrative Code is hereby amended to read as follows:

Sec. 51.01. Authority and procedure.

Whenever the duly authorized head of any department may deem it for the best interests of the city to dispose of any real property belonging to or under the control of his department, said officer shall prepare or cause to be prepared a report to the council of said city fully describing the real property to be disposed of and the reasons why the disposition thereof is desirable. The council shall, if agreeable and after vacation of property heretofore or hereafter acquired by the city by eminent domain proceedings or otherwise acquired and dedicated to a specific public purpose, by resolution approve said project and direct the disposal of the same in the following manner:

(1) *Appraisal.* After the passage, approval and publication of a resolution approving the project of disposing of certain real property owned by the city, copies of such resolution shall be forwarded by the city clerk to the purchasing agent, the director of finance and management services, the mayor and the head of the department desiring to sell such property, whereupon it shall be the duty of the purchasing agent to obtain an appraisal of said property from the city valuation <u>and assessments</u> engineer, except that upon the recommendation of the director of the department of finance and management services the council may obtain competent appraisal of said property from an outside appraiser or appraisers. Except as provided herein, the property shall be sold either at public auction, by calling for sealed bids, or calling for bid proposals, in the discretion of the city council.

(2) *Public auction.* If such property is to be disposed of by public auction, the auction sale shall be conducted by the purchasing agent and after advertisement therefor in the official newspaper for at least once a week for two (2) successive weeks and such other advertisements and publications as the purchasing agent may deem desirable. The advertisements shall give a full description of the property to be sold, the appraised value thereof, the time and place of the public auction, and a copy of the resolution of the council fixing the terms of the sale if other than for cash only. The purchasing agent shall offer the parcel or parcels of land in the order in which they appear in the notice of sale and shall sell them to the highest bidder but not for a less sum than the appraised value. All property sold by public auction shall be sold for cash or certified check unless the city council shall have adopted a resolution providing for their sale on terms, in which event such resolution shall control with respect thereto. When sold, the council shall by resolution direct the proper city officers to convey the property so sold to the purchaser either by warranty deed or quit claim deed as the council may direct.

If it develops that the property cannot be sold for the appraisal as made, the purchasing agent may obtain a reappraisal for the purpose of more clearly establishing the actual value of any tract.

(3) *Sealed bids.* If such property is to be disposed of by calling for sealed bids, such sale shall be made upon competitive bids and after advertisement therefor in the official newspaper for at least once a week for two (2) successive weeks and such other advertisements and publications as the purchasing agent may deem advisable. The advertisement shall give a full description of the property to be sold, the time and place of receiving bids, and shall require a bid deposit from all bidders in the amount of at least ten (10) percent of the amount bid, said deposit shall be in the form of a cashier's check, a certified check, or a surety bond written by a corporate surety authorized to do business in the state having a resident agent located in said state, or a combination of a certified check or cashier's check and such a surety bond, as may be directed by the city council.
All bids shall be on regular formal quotation blanks supplied by the purchasing agent, with the number, date and bidder's name indicated on the outside thereof. Such bids shall be opened by the purchasing agent. The purchasing agent and the director of finance and management services shall recommend to the council the rejection of bids or award to the highest responsible bidder, as the case may be. If awarded, the council shall by resolution direct the proper city officers to convey the property so sold to the purchaser either by warranty or quitclaim deed, as the council may determine. If not awarded, all checks shall be returned to the bidders. If it develops that the property cannot be sold for the appraisal as made, the purchasing agent may obtain a reappraisal for the purpose of more nearly establishing the actual value of any tract.

(4) *Private sale.* The council may, in the event that no bids are received, or if bids received are unsatisfactory, sell such property at private negotiated sale in any manner that it may deem advisable, and may sell such property through competent realtors and pay the regular commission; provided, however, that the price shall in no event be less than the highest bid received pursuant to advertisement therefor in the manner prescribed in paragraph (3) hereof, exclusive of the commission. In case of sale in the manner determined by the council, the property shall be conveyed to the purchaser either by quitclaim or warranty deed, as the council may direct.

(5) *Advertising for bid proposals.* If the council determines by resolution passed by five (5) affirmative votes that the use to which such property will thereafter be put is of importance to the general welfare of the public and may be of greater significance to the well-being of the community than the highest price that may be offered for such property, the council may by such resolution direct that proposals for the purchase of such lands be called for by the purchasing agent after advertisement therefor in the official newspaper for at least once a week for two (2) successive weeks, and such other advertisements and publications as the purchasing agent may deem desirable, the last advertisement being not less than ten (10) days prior to the date set for receiving and opening proposals. The advertisement shall give the full description of the property to be sold, the time and place for receiving proposals, shall state the current fair market value of the subject property as appraised and reported by the city's valuation <u>and assessments</u> engineer or other competent real estate appraiser appointed and employed by the purchasing agent in the premises, and shall require a bid deposit from all persons submitting proposals in the amount of at least ten (10) percent of the proposed purchase price as set forth in such proposal, said deposit shall be in the form of either a cashier's check, a certified check or a surety bond written by a corporate surety authorized to do business in the state having a resident agent located in said state, or a combination of a certified check or cashier's check and such a surety bond, as may be directed by the city council; but in no event shall the proposed purchase price be accepted is less than the fair market value of the property at the time of such sale as appraised and

reported by the city's valuation and assessments engineer or other competent real estate appraiser appointed and employed by the purchasing agent in the premises.

All proposals shall be submitted together with forms supplied by the purchasing agent bearing the proposal number, date, and name of the individual, firm or corporation submitting such proposal indicated on the outside thereof. Such proposals shall be opened by the purchasing agent. The purchasing agent and the director of finance and management services shall recommend to the council the rejection of proposals or award to the individual, firm or corporation submitting the best proposal for the future welfare of the city as the case may be. The council, after notice of hearing with respect thereto published in the official city newspaper and in a newspaper of general circulation within said city, may reject all proposals or it may, by resolution passed by five (5) affirmative votes of the council, make an award to the person, firm or corporation submitting the best proposal. If awarded, the council shall also, by such resolution, direct the proper city officials to convey the property so sold either by warranty or quitclaim deed, as the council may determine. If not awarded, all checks shall be returned to the bidders submitting the proposals.

(6) *Sale of unimproved land.* When unimproved lands heretofore or hereafter condemned and taken by the city under power of eminent domain shall remain unimproved substantially as thus acquired in the ownership and control of the city and shall be provided to be sold and conveyed as lands unneeded for any public purpose and thus made the subject of disposition by the city hereunder, the same may by direction of the council first be offered therefor to the prior owner of the same and from whom the same were thus acquired by the city if such prior owner still retains property abutting thereon. In any such case, the council, without advertisement therefor or competitive bids for the same, may sell and provide for the reconveyance of the subject lands to such prior owner of the same, subject to the following provisions:

a. If the subject lands shall constitute the entire tract thus acquired by the city, the amount of money to be paid therefor to the city shall not be less than the fair market value as established by appraisal by the city's valuation and assessments engineer or other competent real estate appraiser appointed by the council to make such appraisal.

b. If the subject lands shall constitute less than the whole tract thus acquired by the city, as determined by the city valuation and assessments engineer, the amount of money to be paid therefor to the city shall not be a less proportion of the amount of money paid by the city for such acquisition of the whole tract than the proportion of the part to be sold and conveyed shall bear to the whole tract thus originally acquired by the city; and

c. No such land thus acquired by the city shall be sold or reconveyed by it, in any such case, for an amount of money which shall be less than the fair market value of the same at the time of such sale or reconveyance, as appraised and reported by the city's valuation and assessments engineer or other competent appraiser appointed and employed by the council in the premises, and the form of reconveyance in each such instance shall be that of a quitclaim deed.

(7) *Sale of vacated streets and alleys--Platted lot.* In any case where the city shall have acquired a fractional part of any platted lot of record by condemnation or deed or by condemnation and deed therefor and shall have dedicated the same to the opening, widening or extending of any public street or public alley, and shall have vacated any such public street or alley or any section thereof embracing such fractional part of such platted lot, the council, without advertisement therefor or competitive bids for the same, may sell and provide for the conveyance of all right, title, estate and interest of the city in and to

such fractional part of such platted lot at any time within sixty (60) days next after the effective date of the vacation of the section of public street or public alley which theretofore embraced the same, subject to the following provisions:

a. Such authorized sale and conveyance shall be consummated within said sixty-day period and shall be made by the city as vendor-grantor to the owner of such platted lot, save for the aforesaid fractional part of the same, theretofore acquired and dedicated by the city.

b. No such sale or conveyance affecting any such fractional part of any such platted lot or affecting the right, title, estate or interest therein of the city shall be made for an amount of money which shall be less than the fair market value of the same at the time of such sale and conveyance as appraised and reported by the city valuation <u>and assessments</u> engineer or other competent appraiser appointed and employed by the council in the premises, and that the form of conveyance in any such instance shall be that of a quitclaim deed.

(8) *Sale of vacated streets and alleys--Parcel or tract.* In any case where the city shall have acquired by virtue of condemnation or deed or by virtue of condemnation and deed any tract or parcel of land therefor and shall have dedicated the same to public street, public alley or public street approach purposes and shall have thereafter vacated the subject public street, public alley or public street approach, or any section of such public street, public alley or public street approach embracing such tract or parcel of land, the council, without advertisement therefor or competitive bids for the same, may sell and provide for the conveyance of all right, title, estate and interest of the city in and to such tract or parcel of land at any time within sixty (60) days next after the effective date of the vacation of the section of public street, public alley or public street approach which theretofore embraced the same, subject to the following provisions:

a. Such authorized sale and conveyance shall be consummated within said sixty-day period and shall be made by the city as vendor-grantor to the owner of the tract or parcel of land which shall abut immediately upon and be contiguous to the subject vacated section of public street, public alley or public street approach, as purchaser-grantee.

b. No such sale or conveyance affecting any such tract or parcel of land or affecting the right, title, estate or interest therein of the city shall be made for an amount of money which shall be less than the fair market value of the same at the time of such sale and conveyance as appraised and reported by the city valuation <u>and assessments</u> engineer or other competent appraiser appointed and employed by the council, in the premises, and that the form of conveyance in any such instance shall be that of a quitclaim deed.

c. No such sixty-day limitation or other time limitation shall apply to any such sale of any such city land which shall embrace any such vacated public street, public alley or public street approach area not in excess of six (6) inches in depth measured streetward from the platted privately owned lot or block line.

(9) *Lease of city property.* Except as provided in section 86.03, disposition of city property by negotiated lease may be authorized by resolution of the city council pursuant to this chapter and chapter 86 of the Administrative Code. Proposed leases shall be submitted for consideration by the city council together with the recommendation of the city valuation <u>and assessments</u> engineer and the report of the city budget

director, and may be approved by the council only after public hearing, by resolution passed by five (5) affirmative votes.

(10) *Exchange of city property.* If the council determines by resolution passed by five (5) affirmative votes that a negotiated exchange of city and other property, real or personal, may better serve the public welfare than a sale of the city property, the council may by such resolution direct the city valuation and assessments engineer to make or obtain an appraisal of the property to be received in the proposed exchange. The value of the property to be received by the city in such exchange shall not be less than the market value of the city property.

Upon receipt of the appraisal of the exchange property, and after public hearing, the council may by resolution approved by five (5) affirmative votes approve the negotiated exchange and authorize execution of deeds or other instruments to complete the exchange.

(11) *Conveyance to HRA.* The council by five (5) affirmative votes may authorize the conveyance of real property to the housing and redevelopment authority (HRA) of the city. As part of the resolution authorizing conveyance, the council shall direct the proper city officials to convey the property by either quitclaim and warranty deed. The HRA shall be responsible for any outstanding municipal special assessments or service charges.

Section 2

That this ordinance shall take affect and be in force thirty (30) days after its passage, approval and publication.

	Yeas	Nays	Absent
Bostrom			
Carter			
Harris			
Helgen			
Lantry			
Stark			
Thune			

Adopted by Council: Date _____

Adoption Certified by Council Secretary

By: _____

Approved by Mayor: Date _____

By: _____

Requested by Department of:

_____

By:

Approved by the Office of Financial Services

By: _____

Approved by City Attorney

By: _____

Approved by Mayor for Submission to Council

By: Nancy R. Thomas 3-25-09