



**POLICY: EVALUATION OF REQUESTS TO CONSIDER SALE, RELEASE, OR
CONVEYANCE (DISPOSAL) OF CITY-OWNED RESIDENTIAL PARCELS OF LAND**

ORIGINAL ADOPTION: 11-12-2019

REFERENCE NO. ADMIN-010

REVIEWED/UPDATED: 5-3-2023

PURPOSE & SCOPE

This policy is intended to outline the city staff process for responding to inquiries to evaluate and consider disposal of City-owned parcels within all residential zoning districts (R-1, R-1A, R-2, and R-3)

The City of Mound, on a case-by-case basis, will evaluate inquiries or requests for possible purchase, release, or conveyance (disposal) of city-owned residential parcels that are not in current use or needed for future public use.

1. The City of Mound will consider potential benefits to the community of disposal when evaluating such requests:

- A. Disposal of city-owned residential parcels may reduce city maintenance costs.
- B. City-owned residential land conveyed to private owners increases the city's tax base.
- C. An existing lot may become more conforming to zoning after addition/combination of an undersized property. The city may require disposed property to be tax-combined with existing parcels at Hennepin County.
- D. Residential parcels that include municipal utilities including water main, sewer main, or stormwater watercourses and ponds will not be supported for release unless easements can satisfactorily meet and protect the city's ability to maintain infrastructure.

2. City staff consideration will include, but is not limited to:

- A. Many parcels have been conveyed to the city for a specific purpose and may not be eligible or recommended (i.e. platted park, restricted deeds, existing public use, etc.).
- B. City-owned, residential parcels that abut, extend to, or terminate at public waters will be evaluated to determine if they are used by any public or are providing a public benefit; in which case disposal will not be supported or recommended.
- C. An undeveloped, vacant city-owned residential parcel that includes frontage on an improved public road, has municipal utilities available, and meets the minimum requirements of a specific zoning district for construction of at least one (1) conforming dwelling unit will be considered for public sale by consideration of offered terms, listing, auction, etc.
- D. A city-owned residential parcel that is undersized, as defined by the City Code, will be considered for disposal to adjacent properties via adjacent owner, sealed bid offers.

Adjacent owners share a common property boundary with the parcel considered for disposal and are not separated by improved or unimproved Right-of-Way (ROW).

3. The following process will be used when evaluating requests:

A. When queried by a prospective buyer, staff will complete a preliminary, non-binding review to evaluate if the city-owned parcel is eligible for future acquisition. Final determination on eligibility and terms are subject to future City Council review and approval.

B. Following a non-binding review, the prospective buyer may proceed with submission of a formal application, fees, and escrow to initiate city completion of seller due diligence, Planning Commission review, and consideration by the City Council.

C. City staff will review and distribute the application materials to city departments, State of Minnesota Departments/Agencies, and Hennepin County as appropriate. A written response will be provided to the interested party within 15-business days unless otherwise extended.

D. If staff determines the city-owned residential parcel can be recommended for disposal; staff will include in its written response: a preliminary estimate of the involved fees and consultant cost(s) to complete the disposal; the need, method, and estimated cost for an appraisal; and an estimated timeline.

E. As required by statute, the Planning Commission will review the request and determine if the proposed disposal is consistent with the Mound Comprehensive Plan.

F. The City Council will review and approve staff recommendation on intent to sell, method of sale, and any listing price, reserve, or minimum bid determined for the parcel prior to commencing with any further disposal actions.

G. The City Council will review and approve all final purchase agreement documents.

H. All costs and fees incurred as a result of the disposal will be paid for by the purchaser including, but not limited to: the preparation of appraisal, all required legal documents for closing (i.e. warranty deed, title certificate, etc.), brokerage fees, consultant fees, recording fees, and any necessary easements unless it is determined otherwise.

I. All parcels are sold "as is" and in their current condition.

4. The value of the land to be disposed of will be determined as follows:

A. Parcels covered under 2(c) above will be sold at market value generally to be determined either by an appraisal, or as determined acceptable by the City Council. A minimum sale amount or bid will be established prior to commencing with any listing, advertisement, or auction.

B. Parcels covered under 2(d) above will be sold to an eligible adjacent owner for comparable estimated market value to be determined in cooperation with The Hennepin County Appraisers Office. Deed restrictions and lot combination may be required and recorded.

5. The City Council will consider and act on the request to sell a City-owned residential parcel (paragraph 3(f) above) following review and recommendation by staff and City Commissions. Upon the City Council's determination to proceed with the disposal of a City-held residential parcel, staff will be directed via resolution to begin work with the City Attorney and interested party(ies) to prepare all involved instruments and legal documents required to undertake the proposed real estate transaction. This may include, but is not limited to; determination of fair market value, adjacent owner bid invitations, bid submission documents, easements, and/or purchase agreements, etc. All final Purchase Agreement documents will be subject to final review, acceptance, and approval via resolution by the City Council (paragraph 3(g) above).