

City Council Report

Date: July 10, 2017
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Sale of excess City-owned property located at 427 S Bellview
Council District #4

Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to sell excess City-owned property located at 427 S. Bellview, and enter into a Purchase and Sale Contract.

Background

The property being considered consists of three vacant lots. The size of each lot is 50 feet x 145 feet per lot for a total of 21,750 square feet. The City purchased these lots in the 1950's for use by the Water Resources Department for an above ground water storage tank known as the "Bellview Tank Site". In 1998, the Tank Site was demolished. The property is fenced and has been vacant since this time. This property is no longer needed by Water Resources.

Discussion

The City has received an unsolicited offer to purchase the three lots for \$96,000. In March 2015, Mesa had this property appraised. The appraised value was \$88,000 (\$4.05 per s.f.). Co-Star Real Estate Marketing estimates vacant land has increased 3% to 4% per year. Using this estimate, the value of these lots would be in the range of \$93,200 to \$95,000. An estimate to have a new appraisal prepared is \$1,800.

The surrounding neighborhood is primarily residential. To ensure that these lots are developed to the current characteristics of the existing neighborhood, the City initiated a re-zoning application for the property to be re-zoned from NC to RSL-4.5 for single family housing units, case number Z17-018. The case was approved by the Planning and Zoning board on May 17, 2017 and is scheduled for City Council authorization on June 26, 2017.

Alternatives

The City could choose to not enter into a Purchase and Sales Contract to sell these lots. Choosing this alternative would result in the City not receiving sales income. The City would continue to own and maintain these vacant parcels.

Fiscal Impact

The City will receive \$96,000 for this transaction.

Coordinated With

Water Resources and Real Estate concur with this recommendation.