



POLICY FOR DISPOSITION OF CITY-OWNED PROPERTIES

STATEMENT OF INTENT:

The City of Atlantic occasionally acquires abandoned and blighted properties and blighted buildings, leaving empty lots. The City shall dispose of these properties in a consistent and fair manner, allowing for new development and growth in the community.

Properties that are available for sale are subject to the following conditions:

CONDITIONS

1. **Form Completion and Bid Submittal:** Any party wishing to purchase a City-owned vacant lot should complete the "Bid for City-Owned Property" form and return it to the Atlantic City Clerk's Office, 23 East 4th Street, Atlantic, Iowa 50022.
2. **Price:** The minimum price for each lot shall be the most recent year's assessed value on the land according to the Cass County Assessor's Office.
 - a. If a new, residential dwelling is proposed on the lot and the estimated assessed value meets a minimum of \$100,000 then the City shall sell the property for \$1.00.
 - i. The City shall offer a \$5,000 incentive for new appliances and other home necessities to the buyer of the new dwelling. This incentive shall only be extended to businesses physically located in Atlantic, it shall be on a direct-billing basis to the City of Atlantic, payable through the City Clerk's Office. Proof of commitment towards the purchase of the home may be required prior to payment of any invoices under this program.
 - b. If a new home is not being built, but building improvements are being made, the minimum price of the lot will be required for sale. Discounts will be offered on a 1% per \$1,000 of estimated value of new construction to be added to the property. This discount shall be applied to the minimum price, becoming the discounted minimum sale price.
 - i. The City may require evidence documenting the value of the improvements prior to the formal application of the discounted sale price.
 - ii. Tax abatement for improvements shall not be approved until the Cass County Assessor's Office has completed an assessment of the improvements. If the assessment ends up being less than 85% the quoted cost of construction on the

purchase bid, the City Council shall consider this an attempt at deception for the purpose of lowering the sale price of the land and tax abatement shall not be considered.

3. **Timeline:** All improvements (rehab/construction) shall be initiated within 60 days and completed within 180 days of approval of the sale by the City Council. An extension of an additional 180 days may be granted if significant progress is made.
 - a. Failure to meet the timeframe may result in forfeiture of purchase and purchase amount.
 - b. All adjacent lots shall be combined as required by the Cass County Auditor's Office within sixty (60) days of sale.
 - c. Property transfer shall be by Quit Claim Deed and may occur upon substantial completion of renovation/construction of the property; as required.
4. **Compliance with City Regulations:** New construction and rehab shall be subject to review, approval, and inspection of structure for all required permits and regulations.
 - a. Purchaser shall maintain the property free of nuisances and hold insurance upon approval of sale by City Council and prior to deed transfer.
 - b. The use of any property purchased shall be consistent with the zoning classification. In instances where legal use of the property pursuant to the zoning classification may conflict with existing adjacent and neighboring residential property, then certain other requirements may be imposed by the City or the use of the property. These requirements could include, but are not limited to, providing privacy fencing to screen neighboring properties, require lighting to be restricted and goods and merchandise stored outside to be on paved or asphalt surfaces. Construction on any property that would require a variance for approval shall nullify the bid proposal.
 - c. City properties may not be mined for soil, nor stripped of vegetative cover, trees, shrubs and other living material except where necessary for construction and redevelopment or to comply with City Code. Properties sold or used as green space will be maintained in a manner appropriate to the neighborhood and consistent with City Code.
5. Property being sold for the purpose of land speculation is discouraged. A development agreement with the buyer may be required as determined by the City.

The process for solicitation, consideration and execution of the sale of City-owned lots is as follows:

PROCESS

1. The interested party shall submit the bidding form and detail their intent to improve the property. The bidding form shall be returned to Atlantic City Hall.

- a. In the event that more than one property owner wants to purchase the lot, sealed bids will be accepted.
2. The bidding form shall be transmitted to the Atlantic City Council on the next City Council Agenda.
3. The City Council shall review the bidding form and proposed use and/or improvements to the property.
4. If the Council finds the use acceptable, they shall order the City Clerk to schedule the public hearing required to formally approve the sale for the next regularly scheduled City Council Meeting.
5. The Council shall hold the public hearing and commence with the vote to approve or deny the sale of the property.
6. If approved by the City Council, the bidder will be required to follow one of the two following procedures:
 - a. Merger of Lots without Improvements. If the proposed use is to merge the land with abutting property without making improvements, the bidder shall be required to submit a check to the City Clerk for the full amount of the purchase price within 60 days of the approval of the sale. Following this, standard procedures for closing shall be followed and the title transferred to the buyer. The buyer shall have 60 days to combine the lots.
 - b. Building Improvements as Condition of Sale. If proposed improvements and the associated discount are part of the sale, the buyer shall produce a 25% deposit of the purchase price to the City Clerk within 60 days of sale, with construction being initiated within this timeframe. The property owner shall acquire a building permit and proceed with the improvements. A total of 180 days shall be allowed for the completion of the improvements. An extension of this deadline may be offered by the City Council if substantial progress is made on the improvements. Once completed, the remaining 75% of the purchase price shall be due to the City Clerk and the standard procedures for closing shall be followed and the title transferred to the buyer. Failure to make the improvements in the allotted timeline shall result in the forfeiture of the deposit and termination of the sale.