



Legislation Text

File #: 07140, Version: 1

**Fiscal Note**

The Ordinance codifies existing practice and should help assure that City property yields the highest and best use. No expenditure is required.

**Title**

Creating Section 8.075 of the Madison General Ordinances to codify and amend the existing Procedures for the Disposal of Surplus City Real Property.

**Body**

DRAFTER'S ANALYSIS: This ordinance codifies and amends the Procedures for the Disposal of Surplus Real Property adopted by Amended Resolution No. 51,484 on September 20, 1994. The amendments include exemption of property owned by the CDA and City Utilities from these procedures, because property owned by the CDA pursuant to its powers as a redevelopment authority must be disposed of in accordance with Sec. 66.1333(9), Wis. Stats. and any real property owned by a City Utility must be disposed of in accordance with any applicable revenue bond covenants.

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The Common Council of the City of Madison do hereby ordain as follows:

Section 8.075 entitled "Disposal of Surplus City Real Property" of the Madison General Ordinances is created to read as follows:

"8.075 DISPOSAL OF SURPLUS CITY REAL PROPERTY.

(1) Definitions.

"City department" includes City agencies, departments and divisions, but does not include the City's Community Development Authority ("CDA"), Parking Utility, Water Utility, Sewer Utility, or Stormwater Utility (the "Utilities").

"Real property" includes land, air rights, subterranean rights, and appurtenances conveyed with and/or affixed to the land (e.g., buildings).

(2) Surplus Property Notification. When a City department determines real property surplus to its needs, the department shall provide written notice to the Director of the Economic and Community Development Division (ECDD). The written notification shall include maps, plats, or other drawings showing the surplus property, a legal description of the property and any restrictions or conditions as may be recommended or suggested for incorporation into the conveyance instrument.

(3) Surplus Property Disposal Method Determination. The ECDD Director shall determine the method of disposal for the surplus property using the following procedures:

- (a) If there is an approved City plan or project for which the surplus property is needed, the property shall be conveyed/transferred to the appropriate City department, CDA or Utility, subject to any restrictions or conditions authorized by resolution adopted by the Common Council.
- (b) If sub. (a) does not apply, the ECDD Director shall provide written notification to all City departments, the CDA and Utilities of the availability of the surplus property and request an indication of each City department, CDA or Utility's interest in the property or its knowledge of any restrictions or conditions which should be placed on the property if disposal proceeds.
  - 1. If only one (1) City department, CDA or Utility expresses interest in the property, the property shall be conveyed/transferred to that department, CDA or Utility.
  - 2. If two (2) or more City departments, CDA or Utilities express interest in the property, the requests shall be reviewed by the Mayor's Public Works Improvement Committee. Its recommendations shall be forwarded to the Common Council for a decision. The surplus property shall then be conveyed/transferred to the appropriate City department, CDA or Utility, subject to any restrictions or conditions authorized by resolution adopted by the Common Council.
- (c) If subs. (a) and (b) do not apply, the ECDD Director and the Director of the Department of Planning and Economic and Community Development ("DPECD"), after consultation with the Alderperson of the aldermanic district within which the property is located, shall determine if it is in the best interests of the City to sell the property by direct sale to either tenants who currently

lease or occupy the property or to owner(s) of an abutting property located within the City of Madison. If it is determined that such a sale is in the best interests of the City and there is only one party interested in purchasing the property, the intent to sell the property in this way and the terms and conditions of the sale shall be submitted to the Common Council for approval. If more than one of the prospective purchasers described in this subdivision express interest in the property, the procedures described in sub. (d) shall apply, except that the Committee described in sub. (d) may limit bids to these prospective purchasers.

(d) If subs. (a), (b) and (c) do not apply, the ECDD and DPECD Directors, after consultation with the Alderperson of the aldermanic district within which the surplus property is located, shall determine if it is in the best interests of the City to dispose of the property either by direct sale or through a public bid process. If it is determined that it is in the best interests of the City to dispose of the property by direct sale, the terms and conditions of the sale shall be submitted to the Common Council for approval. If it is determined to be in the best interests of the City to dispose of the property through a public bid process, the Mayor shall create a Criteria and Selection Committee ("Committee") and appoint the members who shall perform the duties herein described.

1. Committee Membership. The Committee shall consist of at least five (5) persons, including:
  - a. The Alderperson of the aldermanic district in which the property is located;
  - b. Two (2) additional Alderpersons;
  - c. A representative of the Mayor (either staff or citizen); and
  - d. A resident of the neighborhood.

The number of Committee members may be increased but shall not exceed seven (7) members. The Real Estate Manager shall be responsible for staff support to the Committee, communications with potential bidders, and the technical details of the public bid proposal process.

2. Committee Duties and Responsibilities. The Committee shall be responsible for the following:
  - a. Identification of the type of use desired for the surplus property and any special terms or conditions that are important to the City.
  - b. Establishment of criteria with point values to be used in the evaluation of bid proposals submitted by potential purchasers of the property.
  - c. Evaluation of the bid proposals submitted by potential purchasers and selection of the purchaser.
3. Common Council Concurrence. Once the Committee establishes the criteria and point values, the Real Estate Manager shall prepare a resolution for introduction to the Common Council directing the Real Estate Manager to proceed with the public bid process for the sale of the surplus property.
4. Bid Proposal Selection. The Committee shall receive, open, and evaluate the bid proposals subject to the selection criteria and point values. The Committee may request additional information from the bidders or City staff prior to selection of a bid proposal. The Committee may select the bid proposal that it determines to be in the best interests of the City regardless of whether it has the highest point value. The Committee shall reserve the right to reject any and all bid proposals. Upon selection of a bid proposal, the Real Estate Manager shall prepare a resolution for adoption by the Common Council accepting the Committee's selection and authorizing the sale of the surplus property.

5. Surplus Property Conveyance. The surplus property shall be conveyed to the selected purchaser by Quit Claim Deed, subject to any restrictions, terms, and conditions of sale adopted by the Common Council."