

City of Fayetteville Staff Review Form

2015-0271

Legistar File ID

6/16/2015

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Connie Edmonston

6/1/2015

Parks & Recreation /
Parks & Recreation Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Approval of an exemption provision request for City Ordinance §34.27 – Sale of Municipally Owned Real Property to contract with a real estate broker to sell two single family lots with existing houses situated on 1.20± acres in Gulley Park

Budget Impact:

Account Number	Fund
Project Number	Project Title
Budgeted Item? <u>NA</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>NA</u>	Item Cost
Budget Adjustment Attached? <u>NA</u>	Budget Adjustment
	Remaining Budget \$ -

V20140710

Previous Ordinance or Resolution # 157-14; 61-15

Original Contract Number: _____

Approval Date: _____

Comments:



CITY COUNCIL AGENDA MEMO

MEETING OF JUNE 16, 2015

TO: Mayor and City Council

THRU: Don Marr, Chief of Staff

FROM: Connie Edmonston, Parks and Recreation Director

DATE: June 1, 2015

SUBJECT: Exemption Provision Request for City Ordinance §34.27 – Sale of Municipally Owned Real Property

RECOMMENDATION:

Approval of an exemption provision request for City Ordinance §34.27 – Sale of Municipally Owned Real Property to contract with a real estate broker to sell two single family lots with existing houses situated on 1.20± acres in Gulley Park

BACKGROUND:

Gulley Park was purchased by the City of Fayetteville in 1988 from the Fred Gulley family in order to establish a 28-acre community park in the northeast section of our city. Gulley Park's walking trail, playgrounds, swings, pavilion, gazebo and open space are actively and highly used by the public, and it is one of the few parks that still retains a somewhat pastoral atmosphere due to the nature of the land and open, non-programmed usable green space.

On August 19, 2014, the Fayetteville City Council passed Resolution #157-14 approving the purchase of 11.32 acres for expansion of the park at a cost of \$1.1 million. The Fayetteville Natural Heritage Association (FNHA) committed to raise \$130,000 of the \$1.1 million total land purchase in their effort to "preserve beautiful and important natural areas and park land." It was determined to sell the two homes and that the natural expansion of Gulley Park with the 10.12 acres of this newly required land would offer 38 acres of park land that would continue to preserve the pastoral setting in which people appear to flock.

On March 3, 2015, the Fayetteville City Council passed Resolution #61-15 authorizing the City to offer for sale the ±1.20 acres containing the two single-family homes with a minimum bid based upon their appraised values. The smaller home at 2634 Old Wire Road was appraised at \$111,500 and the larger home with the work shop at 2648 Old Wire Road was appraised at \$218,500. Park and Recreation staff sent public notices to adjacent property owners, displayed prominent signs on the property and publicized the sale in newspapers and five various social media websites as required by City Code. Bid 15-30 was issued and advertised on March 18, 2015 with a bid deadline of May 4. Six on-site inspection dates were opened to the public to view the homes from March 25th until April 29th. One bid was received at the May 4th bid deadline date for the smaller home at 2634 Old Wire Road. The bid offer was rescinded on June 1st.

DISCUSSION:

City staff has determined after considerable efforts have gone into trying to sell the two single-family homes, it would be in the city's best interest to obtain a real estate broker through the RFP process to sell the properties.

BUDGET/STAFF IMPACT:

Cost for the real estate broker's services would be taken out of the closing costs for the sale of the homes. The exact amount of proceeds from the lot sales will be determined at the point of sale. The sale of the property will come back to City Council for final approval.

Attachments:

City Ordinance §34.27 – Sale of Municipally Owned Real Property
Resolution No. 157-14
Resolution No. 61-15
Property location map

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TITLE III ADMINISTRATION

site, adjustments as determined by site operating personnel, will be made to the base price for quantity purchases; according to the type of bale purchased; and the relative quality of the harvested hay; and for damage the hay may have received during the harvest.

(D) In regard to the marketing and sale of dried biosolids produced by the City of Fayetteville Wastewater Utility:

(1) Bulk quantities of dried biosolids (defined as amounts greater than 500 pounds not in a bag or other container) shall be advertised for sale as an organic based fertilizer product at a pre-determined base price twice each year, normally on or about March 1st and September 1st of a given year. Bulk quantities, if available, shall be pre-committed for each marketing period on a first call, first commit basis, up to 60% of the projected available amount. Any remaining amount shall be marketed during the marketing period at the same base price on a first call, first commit basis.

(2) A base or standard price for bulk quantities of dried biosolids shall be established for each marketing period based on the best information available from fair market value of similar products or from the cooperative extension service. Adjustments as determined by operating personnel may be made based on current costs of production; method of delivery; quality of product available; quantities purchased; or other market-driven conditions.

(3) Quantities of dried biosolids less than 500 pounds and placed in a bag or other container may be made available to the public via various reputable retail outlets at any given time, according to reasonable terms and conditions as approved by the City Purchasing Manager. The price charged for less than bulk quantities may be adjusted by operating personnel based on current costs of production; method of delivery; quality of product available; quantities purchased; or other market-driven conditions.

(E) The City Council may waive the requirements for public auction or formal competitive bids for sales of personal property in exceptional situations where such procedures are deemed not feasible

nor practical.

(Code 1965, §2-69; Ord. No. 1215, 9-14-59; Ord. No. 1827, 10-4-71; Ord. No. 2006, 5-7-74; Ord. No. 3545, 4-16-91; Code 1991, §34.25; Ord. 4553, 04-06-04; Ord. 4723, 7-19-05; Ord. 5440, 9-20-11)

34.26 Limited Authority of City Employee To Provide Services To The City

An employee of the city shall be permitted to furnish services as an independent contractor to the City only if:

(A) The employee fully discloses his or her direct or indirect financial interest in any contract or service agreement to the City Council and such services are approved by City Council Resolution;

(B) No favoritism is allowed to the city employee over other possible service providers;

(C) Such services are not of the same type as performed by the city employee in his or her regular city job, nor are services for the department wherein the employee works;

(D) The employee's immediate supervisor specifically approves such extension of employee service and ensures it will not adversely affect the employee's regular city employment duties;

(E) City employees who are not within the Parks and Recreation Department are specifically allowed to work as independent contractors as scorekeepers, referees and umpires for the Fayetteville Parks and Recreation Department without the need for a City Council Resolution.

(Code 1965, §2-70; Ord. No. 3013, 6-5-84; Code 1991, §34.26; Ord. 5351, 9-7-10)

State law reference(s)--Purchase, lease and sale authorized, A.C.A. §14-42-107.

34.27 Sale Of Municipally Owned Real Property

(A) The City may sell real property only after the City Council has passed a Resolution expressly authorizing such sale. The City Council shall determine whether the property should be rezoned or appraised prior to its sale.

(B) Such City Council Resolution shall contain a specific finding by the City Council that the subject real property is no longer needed for

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municipal purposes.

(C) Public Notice, that the City Council is considering the sale of the real property at the City Council Meeting with the appropriate date and time of the meeting and which shall include the property's address, acreage, improvements and potential purchase price, shall be given not less than fifteen (15) days before the City Council may consider a Resolution to approve a sale of City real property (except rights of way or easements for public utilities) by all of the following means:

- (1) First class mail to all adjacent property owners;
- (2) Prominently displayed signs on the property; and
- (3) Publication in a newspaper of general circulation in the City.

(D) The City may exchange real and personal property with other cities or Washington County only after authorization by ordinance passed by the City Council. The City Council through such ordinance may place limits on the uses that will be allowed of such property as part of the exchange of property agreement.

(Ord. 4358, 1-2-02; Ord. 4380, §1, (Ex. A), 3-19-02; Ord. No. 4651, 12-07-04; Ord. 4752, 9-06-05; Ord. 5465, 12-6-11; Ord. 5497 05-01-12)

State law reference(s)--Purchase, lease and sale authorized, A.C.A. §14-54-302; Bidding process, A.C.A. §14-54-402.

34.28 Purchase By Reverse Internet Auction

- (A) Bidders shall be provided instructions and individually secured passwords for access to the reverse Internet auction by either the City, or reverse Internet auction vendor;
- (B) The bidding process shall be timed, and the time shall be part of the reverse Internet auction specifications;
- (C) The reverse Internet auction shall be held at a specific date and time;
- (D) The reverse Internet auction and bidding process shall be interactive with each bidder able to make multiple bids during

the allotted time;

(E) Each bidder shall be continually signaled his or her relative position in the bidding process;

(F) Bidders shall remain anonymous and shall not have access to other bidders or bids; and

(G) The City Council shall have access to real-time data including all bids and bid amounts.

(H) The City is authorized to pay a reasonable fee to the reverse Internet auction vendor.

(1) The fee may be included as part of the bids received during the reverse Internet auction and paid by the winning bidder or paid separately by the City.

(a) The City Council retains the right to:

(i) Refuse all bids made during the reverse Internet auction; and

(ii) Begin the reverse Internet auction process anew if the City Council determines it is in the best interest of the city or town.

(Ord. 4724, 7-19-05)

34.29-34.99 Reserved

RESOLUTION NO. 157-14

A RESOLUTION TO APPROVE THE ATTACHED OFFER AND ACCEPTANCE CONTRACT IN WHICH THE CITY AGREES TO PURCHASE ABOUT 11 ACRES OF LAND INCLUDING TWO HOUSES AND ANY OUTBUILDINGS FROM MARY L. DUNN FOR THE AMOUNT OF ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000.00), TO AUTHORIZE MAYOR JORDAN TO SIGN ALL NECESSARY DOCUMENTS FOR THIS PURCHASE AND TO APPROVE THE ATTACHED BUDGET ADJUSTMENT

WHEREAS, Mayor Jordan has signed the attached Offer and Acceptance Contract which is expressly contingent upon approval of the City Council; and

WHEREAS, the owner, Mary L. Dunn has also signed the attached Offer and Acceptance Contract.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves and agrees to the attached Offer and Acceptance Contract in the amount of One Million One Hundred Thousand Dollars (\$1,100,000.00) to be paid as specified therein to Mary L. Dunn for the purchase of her property (about 11 acres) and authorizes Mayor Jordan to sign all necessary documents to carry out this purchase including a contract with the Fayetteville Natural Heritage Association, Inc.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves the attached budget adjustment for this purchase.

PASSED and APPROVED this 19th day of August, 2014.

APPROVED:

ATTEST:

By:


LIONEL JORDAN, Mayor

By:


SONDRA E. SMITH, City Clerk/Treasurer



RESOLUTION NO. 61-15

A RESOLUTION TO AUTHORIZE MAYOR JORDAN TO OFFER FOR SALE APPROXIMATELY 1.25 ACRES OF CITY OWNED REAL PROPERTY ON OLD WIRE ROAD NEAR GULLEY PARK

WHEREAS, pursuant to §34.27 of the Code of Fayetteville, the City Council shall issue notice of its authorization to sell city owned real estate by Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby gives notice and authorization to offer for sale approximately 1.25 acres as described in Exhibit A on Old Wire Road near Gulley Park.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves the appraisal dated July 18, 2014, a copy of which is attached to this Resolution and made a part hereof, which estimates the value of the real property located at 2634 Old Wire Road as \$111,500.00 and the value of the real property located at 2648 Old Wire Road as \$218,500.00 and determines that no new appraisal or rezoning of the property is necessary.

Section 3: That the City Council of the City of Fayetteville, Arkansas hereby determines that this 1.25 acres of real property and the structures located on the property no longer serve a municipal purpose in that proceeds from the sale of this property will contribute more to the expansion of and improvements to city parks than if the City were to retain the land and structures themselves.

Section 4: That the City Council of the City of Fayetteville, Arkansas hereby authorizes Mayor Jordan to offer for sale the properties located at 2634 Old Wire Road and 2648 Old Wire Road through a sealed bid process with bids submitted by May 4, 2015, before 2.00 p.m. local time at the City of Fayetteville Purchasing Division office located at 113 W. Mountain Street, Room 306, Fayetteville, AR 72701.

Section 5. That the City Council of the City of Fayetteville, Arkansas hereby sets the minimum bid for 2634 Old Wire Road at \$111,500.00 and for 2648 Old Wire Road at \$218,500.00 based on their appraised values and the City Council shall determine whether to accept or reject any bid that has been submitted.

PASSED and **APPROVED** this 3rd day of March, 2015.

APPROVED:

By:


LIONELD JORDAN, Mayor

ATTEST:

By:


SONDRA E. SMITH, City Clerk/Treasurer





2634 and 2648 Old Wire Road
Fayetteville, AR

