

City of Norway

Real Estate Sale Policy

I. PURPOSE

The City of Norway owns numerous parcels of property. Utilization of these lands shall be handled to provide the maximum benefit to residents of the City. Parcels owned by the City may be open to the public for uses which do not detract, damage or destroy the value of the land. From time to time the city, through its governing body (city council) desires to sell or dispose of certain parcels. The goal of the council in selling or disposing of any city owned property is to ensure that the city gets the maximum benefit from any such transaction, whether it is in the form of monetary compensation from a sale, or a guarantee of specific, immediate economic development that will enhance the city's tax base to a degree that the disposal of any property will result in a return to the city. It is also the policy of the city to ensure fair and equal opportunity to those interested in the acquisition of city owned lands.

II. POLICY

This policy is to be utilized as a guide to any transactions whereby the city or private party initiates the sale or disposition of any city owned real estate, or considers the transfer of property to a private individual or entity for less than the fair market value. The latter will occur only if the transaction involves a significant economic development project that will have an immediate financial benefit to the city. The City Council of Norway shall manage the land and consider requests to purchase individual parcels or tracts of land on a case by case basis. Requests to purchase City owned property shall adhere to the following procedures as established by the City Council.

City Initiated Sale Transactions:

- A. If the city manager recommends to the council that certain city property be offered for sale or trade, or disposed of in any other manner, the terms and conditions of this policy shall apply.
- B. Before the sale of any city property will be considered, the council, by majority vote, shall pass a motion authorizing the city manager to prepare a report identifying the specific property involved, the estimated value of the property, the purpose of selling or disposing of the property, and any other information or issues the council may direct.
- C. The manager will prepare a report and provide same to the council within the time specified by the council. The report will be presented to the council at a regular or special meeting as directed by the council.
- D. Upon receiving the manager's report, the council may pass a motion authorizing the manager to prepare a request for proposals if the plan is for the city to offer the property for sale to the general public. Thereafter, the provisions contained in the city charter, policies, and ordinances dealing with the sale of real estate shall control.

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- E. The city may only consider disposing of real estate for less than the fair market value if the proposed transaction involves a specific economic development project within the city that will have a significant financial benefit to the city by way of an increase in tax base, job growth, and any other factors the council may deem appropriate. Any such request must be submitted in writing in the form provided by the city. The request will be evaluated and scored by the city to determine if the proposed transaction qualifies for consideration.
- F. If the transaction qualifies, the city council shall instruct the city attorney to prepare all necessary documents required to effectuate the property transaction, including but not limited to, development agreements, purchase agreement, easements, deeds etc. Any deeds from city to a buyer, wherein the purchase price is less than the fair market value, shall contain a reversionary clause that makes the property revert back to the city if the conditions contained in the deed or agreement are not met.

Private Initiated Purchase Request:

- A. Individuals, partnerships, corporations, and other entities who wish to purchase City owned property shall submit a written request to purchase property to the City Council. The request shall contain the legal description of the property and a preliminary site map identifying the location of the property.
- B. The proposed purchaser of the property shall identify, in the request to purchase, the intended use of the property at the conclusion of the transaction. The use shall be identified specifically. The purchaser shall also state if zoning variances will be required to establish the proposed use of the property.
- C. The proposed purchaser shall provide a time frame for the development of the property. Development of the property shall include clearing, filling, leveling, and other earth work necessary to the development of the property. All buildings proposed for the property shall be identified along with the anticipated start date of construction and completion.
- D. Upon receipt of the above information, the City Council will review the request of the purchaser and may refer it to staff, the City Attorney, and or consultants for evaluation and recommendations. The review period will be 60 days and may be extended based on the complexity of each request. At the completion of the review, the City Council may choose to proceed with the sale or reject the sales request.
- E. A majority vote of the City Council is required at this point to proceed with the request or to reject the request. In the event, that the Council votes to proceed with the request, the purchaser shall provide the following documents at his/her expense.
 - a. A survey of the property requested to be purchased. The survey shall be done by a licensed surveyor.
 - b. An appraisal of the property conducted by a licensed appraiser.

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- c. The purchaser shall provide a complete site plan of the property to be purchased. The site plan shall include the location of all buildings, parking lots, sidewalks, drainage patterns, signs, refuse disposal containers or locations, landscaping plans, utility locations, and easements. Building plans shall include elevation drawings showing front, side, and rear elevations. When necessary, the City Council may request information on the quantity of fill to be placed on the property or removed from the property as part of the proposed development plan
 - d. The purchaser shall provide the City Council with an estimate of the amount of potable water required for the proposed development, along with the estimated sanitary sewage needs for the project. The purchaser shall also provide a storm water drainage plan which illustrates the disposal points or retention basins for processing the storm water created on the property.
 - e. The purchaser shall provide the City Council with data concerning the proposed use of the property to be purchased. The data which may be applicable to the evaluation will be number of jobs created by the sale of the property, wage rates of jobs created, number of home sites created, and recreational opportunities provided.
- F. Upon receipt of this information, the City Council may direct the City Attorney to review the information and prepare a buy/sell agreement which stipulates the responsibilities of the purchaser and City (seller) to conclude the transaction. The City at its option may retain utility easements, trail easements and or public right of ways on or through the property. The City shall also include a reverter clause or the right of first refusal on future sale of the property as part of the transaction. Negotiations may be undertaken at this time concerning the sale price of the property based on the appraisal of the property and the development plans for the property. When the buy/sell agreement is completed, it will be presented to the City Council for review.
- G. During the course of evaluation of the request to purchase property, the City Council may establish a minimum rate of return on the sale of the property or establish other criteria to be used in the evaluation of each request.