

South Portland City Council
Position Paper of the City Manager

Subject:

ORDINANCE #11-13/14 - Amending Chapter 2, "Purchasing," Regarding the Sale of City-owned Property. First reading. Passage requires majority vote.

Position:

At last Monday's workshop, the City Council discussed proposed amendments to Chapter 2, "Purchasing," regarding the sale of City-owned property. These changes were made due to the recent discussion of the sale of Roosevelt School.

The current ordinance language authorizes the City Council to decide whether to sell city-owned property and stipulates the property be put out to public bid.

The new language removes the public bid stipulation and authorizes the City Council to determine the method of sale and allows proposals to be considered on factors such as price, annual property tax generation, proposed land use, economic benefit, job creation, environmental benefit or detriment, community need or neighborhood benefits. Additionally, the City Council is given the authority to set reasonable conditions on the future use of the property to ensure the property will be used in the best interests of the City.

At the workshop, the language was changed as show below highlighted:

4. In evaluating the proposals to purchase such property, depending on the method of sale, the city council may consider factors such as price, annual property tax generation, proposed land use, economic benefit, job creation, environmental benefit or detriment, historical or architectural significance of any existing improvements on the property, community need or neighborhood benefits when awarding the sale. Consistent with the above, the city council shall indicate the factors it will consider for each property at the time the method of sale is determined.
5. The city council may set reasonable conditions on the future use of the property through deed restrictions to ensure that the property will be used in the best interests of

~~the City shall then evaluate the bids and make an award of bid determination.~~

I am recommending passage of first reading and set April 7, 2014 for second reading and action.

Requested Action:

Council passage of first reading and set April 7, 2014 for second reading and action.


City Manager



CITY OF SOUTH PORTLAND

GERARD A. JALBERT
Mayor

JAMES H. GAILEY
City Manager

SUSAN M. MOONEY
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

IN CITY COUNCIL

ORDINANCE #11-13/14

THE COUNCIL of the City of South Portland hereby ordains that Article IV of Chapter 2, "Administration and Legislation," of the "Code of Ordinances of the City of South Portland, Maine," be and hereby is amended as follows (deletions are ~~struck through~~; additions are underlined):

District One
MICHAEL R. POCK

District Two
PATRICIA A. SMITH

District Three
MELISSA E. LINS COTT

District Four
LINDA C. COHEN

District Five
GERARD A. JALBERT

At Large
MAXINE R. BEECHER

At Large
THOMAS E. BLAKE

Chapter 2

ADMINISTRATION AND LEGISLATION

ARTICLE IV. FISCAL CONTROLS

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DIVISION 2. PURCHASING

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Sec. 2-171. Sale of real property.

- (1) *General policy.* The sale of all real property owned by the city, including any interests therein, shall be governed by this ordinance. As a general rule, the city shall charge fair market value for the conveyance of any interest in real property, except as specifically provided below, and convey its interest by quit claim deed.
- (2) *Classification of property interest.* For the purpose of this division, real property interests owned by the city shall be classified and the disposition of those interests shall be as follows:
 - (a) Tax acquired.

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(b) City owned.

1. The sale of all real property interests not classified as "Tax Acquired" or "Streets and Rights-of-Way" shall be governed by this paragraph.
2. Any proposed sale of "city-owned" property shall first be referred to the planning board for its recommendation as to the disposition thereof.
3. After review of the planning board's written report, the city council shall decide whether to sell such property. ~~If the city council decides to offer the property for sale, the city council shall determine the method of sale. Methods may include, but are not limited to, sealed bid, sealed request for proposals, auction, brokerage sale or negotiated sale, and any property to be sold shall then be put out to public bid for sale to the highest bidder, except as noted in subsection (2)(c) below; provided, however, the city may reserve the right to establish a minimum bid, to reject any bid which fails to meet the minimum bid requirement, and to establish such other conditions or restrictions on the bid or subsequent use of the property as it deems in the best interest of the city.~~
4. In evaluating the proposals to purchase such property, depending on the method of sale, the city council may consider factors such as price, annual property tax generation, proposed land use, economic benefit, job creation, environmental benefit or detriment, historical or architectural significance of any existing improvements on the property, community need or neighborhood benefits when awarding the sale. Consistent with the above, the city council shall indicate the factors it will consider for each property at the time the method of sale is determined.
5. The city council may set reasonable conditions on the future use of the property through deed restrictions to ensure that the property will be used in the best interests of the City shall then evaluate the bids and make an award of bid determination.

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Fiscal Note: Less than \$1,000

Date: March 17, 2014