

Community & Economic Development Committee Report

RE: Disposal of City-Owned Properties

Date: June 29, 2017

Chair: Christopher Etori

Other committee members present: Aldermen Cook, Humphrey, Ryan

Other Aldermen present: President Davis

Others present:

Matt Bloomer, City Attorney

Wendy Wilton, Treasurer

Tara Kelly, Planning/Zoning Administrator

Alan Keays, VTDigger

Bob Tanner, Building Inspector

The meeting convened at 5:31pm to discuss the fair and transparent process by which the city will dispose of properties that come into city ownership through tax sale or other means. Treasurer Wilton quickly briefed the committee on the history and status of city-owned properties. Tara Kelly researched the processes and guidelines for disposal in a number of other communities. In consultation with the treasurer's office and other departments in city hall, Tara drafted the administration's "Goals & Assumptions" and a proposed process. The committee engaged in a conversation about the materials (attached).

While the majority of the discussion focused on what group would play what role in the decision tree, the initial parts of the process are an important part of the overall process. In particular, the creation of a property profile by Building & Zoning which would provide the necessary characteristics of the property to help determine which "bucket" or option for disposal the property would be put into. The administration identified four options as seen on the (attached) draft decision tree. It is important to note that option one provides a path for the city to engage in creative approaches to community & economic development by utilizing acquired properties to forward the city's goals.

It was agreed among those present that the city had an important role in ensuring that the disposal of the properties was in line with appropriate housing studies and community development efforts and thus it was important to have multiple points of input. Attorney Bloomer discussed the BoA's role in all sales of city property and on the role the Board of Finance in such sales. Treasurer Wilton identified the Board of Finance as one of the key groups in the decision tree as they had responsibility for "care & control" of city properties and were the entity that opened and awarded all city bids, while President Davis noted the importance of the RRA in this process as they are the city's community development entity.

The sentiment from those present at the meeting was that all city entities needed to have a chance to receive the property profiles before a determination about which option would be pursued for the specific properties. There still remains questions on what specific roles, if any, the RRA, the Board of Finance, or a BoA committee should take on in this process. For this reason, the issue remains in committee. Tara will draft a newer version taking into account the comments at the meeting and the chair will call a meeting in the near future at which Brennan Duffy of the RRA can be present so the committee can hear the RRA's perspective.

The meeting adjourned at 7:05pm and this report was for information only.

Respectfully submitted,



Christopher Etori, Chair

## **DISPOSAL OF CITY-OWNED PROPERTIES**

### ***Internal Goals and Assumptions***

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#### **Goals**

- Create a simple but fair system for “disposing” of City-owned properties (that do not serve a municipal purpose now or in the next 5 years)
- Create a transparent means for informing the public about the availability of properties and how prospective “purchasers” will be evaluated and decisions made

#### **Assumptions**

- The City only has limited interest in owning properties. The goal is not to “land bank” but rather to relinquish properties to active use.
- Whenever possible, the goal is to return these properties to the tax rolls and to recoup some or all of lost revenues and expenses.
- The City has an opportunity to correct past problems and influence the future use of these properties -- and there is an interest in doing so. Therefore, we are creating a process versus simply aiming for the first bid or highest bid.
- The goals for “de-densification” outlined in the 2014 *Northwest Neighborhood Revitalization Study* apply to all properties in the City’s inventory – not just in the Northwest neighborhood.
- The City wants to limit its upfront investment in the transaction
- The process shouldn’t overpromise timelines etc. if we don’t have internal capacity to manage
- The properties have limited potential on the open market. Therefore, the established process needs to be streamlined enough that it won’t discourage potential investors.

## DISPOSAL OF CITY-OWNED PROPERTIES

### *Initial Process for evaluation and determination of status*

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1. At the point the City takes ownership, contents inside the building will be left as is except for food or trash that pose a nuisance. *Monitored and managed by Building Inspector.*
2. Property management (boarding up windows and doors to bar unwanted entry, mowing lawn, picking up outside trash, pest control etc.) will be managed by the City's Building Inspector. Any expenses will be tracked for each property.
3. Planning Director will create a property profile
  - o Land area and characteristics
    - a) Lot size
    - b) Floodplain
    - c) Neighborhood context
    - d) City infrastructure on the site
  - o Type and size of existing structures
4. Building Inspector will conduct an analysis of property condition (*for internal purposes only*)
  - a) Structural issues
  - b) Any violations need to be corrected before put back into use?
5. Internal profile and property condition analysis shared with City departments to review whether or not a municipal use can be anticipated within 5 years.
6. Department heads share interest with Mayor. Mayor decides whether or not to retain property for municipal use.
7. If no appropriate municipal use is anticipated, decision made about best way to dispose of property according to property profile and City goals. See attached decision tree.

# Disposing of City Owned Properties

