

PORT ST. LUCIE CITY COUNCIL
Agenda Item Request

MEETING: CITY COUNCIL Regular Special

DATE: October 10, 2011

Public Hearing Ordinance Resolution Motion

ITEM: Sale of NSP Property

RECOMMENDED ACTION: Sell property to one of two adjacent property owners.

EXHIBITS: Memo with overview of issue.

SUMMARY EXPLANATION/BACKGROUND INFORMATION: The City purchased a blighted, foreclosed property for demolition. It was brought to our attention that the property is located in a conversion area and it would be more beneficial to have the property utilized as commercial rather than demolish and rebuild a single family home. HUD will allow us to sell the property for exactly what we have expended in NSP funds, we cannot sell for a profit. Both adjacent property owners are interested in purchasing the property and say they have come to an agreement. Staff recommends that Council:

- Approve the sale of the property to the adjacent property owners, as they have agreed, unless they cannot produce a signed agreement before the Council Meeting occurs.
- If the interested buyers have not reached agreement we should sell the property by lottery and just put both names in a bowl and pick one.
- Finally, I would ask Council to provide that the buyer selected must close within a reasonable time, as determined by the City, or we will offer the property to the other interested party.

IF PRESENTATION IS TO BE MADE, HOW MUCH TIME WILL BE REQUIRED?

SUBMITTING DEPARTMENT: Community Services DATE: 10/3/11

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OCT 03 2011

City Manager's Office

Memo

To: JERRY BENTROTT, CITY MANAGER

C: GREGORY J. ORAVEC, ASSISTANT CITY MANAGER

From: TRICIA SWIFT-POLLARD, DIRECTOR, COMMUNITY SERVICES

Date: OCTOBER 3, 2011

Re: 1458 SW BOUGAINVILLEA-SALE TO ADJACENT PROPERTY OWNER

TSP

The NSP program purchased a blighted foreclosed property that was targeted for demolition. It was brought to our attention that the property is in a conversion area. After discussion, it was determined that it would be in the best interest of the City to ask Council to allow the property to be purchased for a future commercial conversion, rather than demolish and rebuild a single family home on the lot. We were first approached by the owner of the lot west of the City property. It was also brought to our attention that another property owner owned 6 lots adjacent to the south and west. To be zoned Commercial General (CG) it is required that the properties have a 2 lot depth, and lots cannot be isolated. The properties to the east of our property are already zoned CG. I have attached a map that shows all of the properties.

I have contacted HUD, and we are allowed to sell the property for exactly what it has cost us, we cannot make a profit. At this time our current investment in the property is \$26,841.90. The property is appraised at \$63,000, which, of course, includes the value of the home. An inspection by the Building Department noted that there are structural issues and extensive rewiring without permits which would raise the estimated cost of repairs to the level triggering demolition.

I contacted the two property owners with adjacent lots, and they are both interested in purchasing the property. I put them in contact with each other, and they reported that they have come to an agreement. However, at this point I do not have a copy of the signed agreement. Also, they understood that the issue would be dependent on Council to determine how we would proceed.

I told both parties that I would be recommending that we move forward, because keeping the property is costing us money in maintenance fees. I recommend that we ask Council to:

- Approve the sale of the property to the adjacent property owners, as they have agreed, unless they cannot produce a signed agreement before the Council Meeting occurs.
- If the interested buyers have not reached agreement we should sell the property by lottery and just put both names in a bowl and pick one.
- Finally, I would ask Council to provide that the buyer selected must close within a reasonable time, as determined by the City, or we will offer the property to the other interested party.

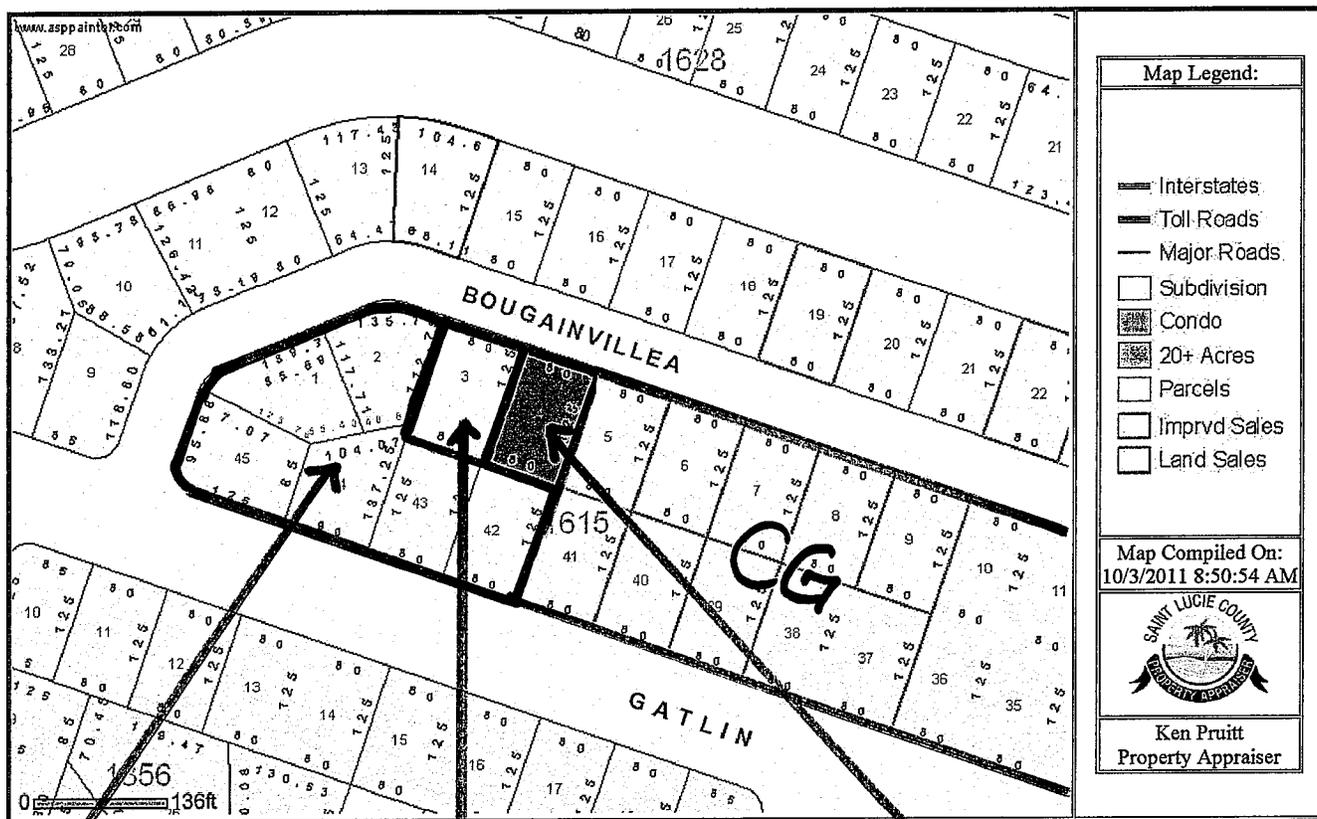
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City Manager's Office

Saint Lucie County, Florida

Property Appraiser's - Internet Mapping Print Service



6 lots owned by
Property Owner #1

1 lot owned by
Property Owner #2

Property owned by
the City
1458 Bougainvillea