

FACTSHEET

Instructions: If a question does not apply, **DO NOT DELETE IT**, just put "NA". Please try to keep it to **ONE** page only. Submit **one original**, with your Request Form, to City Clerk.

TITLE: Sale of City-owned property located at 639 N. 27th Street

BOARD/COMMITTEE: None

APPLICANT: Urban Development Department

RECOMMENDATION: For

STAFF RECOMMENDATION: For

OTHER DEPARTMENTS AFFECTED: None aware of

SPONSOR: Urban Development

OPPONENTS: None known

REASON FOR LEGISLATION:

Article II, Section 2 of the City Charter provides that the sale of any real estate having a value in excess of \$10,000 must be authorized by City Council ordinance.

DISCUSSION / FINDINGS OF FACT:

In October of 2010, the City of Lincoln purchased the North Half of Lot E, Hawley's Addition to Lincoln, more commonly known as 639 N. 27th Street for \$90,000 for the purpose of removing blighted and substandard housing. The N. 27th Street business owners and Clinton Neighborhood Association expressed their concern over the property and brought this to Urban Development as a high priority item for removal. The property was zoned commercial but was converted into a residential four-plex many years ago. The property was in very poor shape, and some of the units violated minimum housing codes. It would not have been economically feasible to rehab the property nor was a residential use appropriate at this location. The City demolished the structure, and the property has been sitting vacant with very little interest.

The City is not interested in selling the property as a stand alone parcel because of access issues along N. 27th Street. This limits the number of potential purchasers for the property. The City has finally received an offer of \$48,000 for the vacant lot by Stanley Jou, the owner of the property at 701 N. 27th Street, directly north of the City's property. The City is closing access to 639 N. 27th Street, and Mr. Jou will use his access at 701 N. 27th Street for both properties. The City will maintain control of access over the parcel until such time as both properties redevelop. Mr. Jou does not have a redevelopment plan for the properties at this time because he is currently leasing the business at 701 N. 27th Street. The property will be used for additional parking during the interim.

The property was purchased with North 27th Street Tax Increment Funds, and the proceeds will go back into the fund to be used for other projects within the TIF district. The sale of the lot will allow the City to recoup part of its investment, put the property back on the tax rolls with a more appropriate use and relieve the City of future maintenance issues. For these reasons, we recommend approval of the sale.

POLICY OR PROGRAM CHANGE: Yes No

OPERATIONAL IMPACT ASSESSMENT: N/A

COST OF TOTAL PROJECT: \$119,550 acquisition & demolition

RELATED ANNUAL OPERATING COSTS: \$341.06 for 2013 taxes; exempt for 2014

SOURCE OF FUNDS:

CITY: Tax Increment Financing

NON-CITY: N/A

FACTSHEET PREPARED BY: Michelle Backemeyer

DATE: May 7, 2014

REVIEWED BY: David Landis, Steve Werthmann

DATE: May 7, 2014