



City Manager's Office
Administrative Policy
Subject: Inventory, Disposal
and Acquisition of Real Property

Issue 1
April 11, 2023

I. PURPOSE

- A. To establish a policy that sets forth the process to classify and convey by sale, exchange, or donation any City-owned real property it deems surplus to the City's needs. This policy further sets forth the process by which the City may acquire, accept, or exchange real property. This policy is a supplement to the Commission Policy No. 2023-01 and provides procedures to policy points.

II. STATEMENT OF POLICY

- A. The City of North Port, Florida and its dependent special districts own real property necessary to provide effective government to the citizens and residents of the City of North Port. A majority of the City's real property currently serves a public purpose or is being held in reserve for future anticipated needs. Properties not classified as serving current and future needs of the City could be considered surplus and available for disposal. This policy will additionally set forth procedures on land exchanges, land acquisition, conveyance, selling real property and land donation.

III. PROCEDURES

- A. Annual Listing of Real Property. On an annual basis, or as otherwise required, the City Manager or designee will establish a list of all City and special district-owned real property.
 - a. The listing of property will be reviewed by the department or special district that owns the parcel to evaluate need to retain the parcel for current or future use. If no such use is identified, the department or special district will mark the parcel as potential surplus.
 - b. The list of potential surplus parcels will be reviewed by all other departments and special districts to evaluate need for the parcel for current or future use. If no such use is identified, the parcel will remain listed as potential surplus.
 - c. The potential surplus parcel list will then be reviewed by City Manager or designee to determine if any parcels should be held in reserve for the future.
 - d. All remaining parcels will be listed as parcels surplus to the City's needs for City Commission consideration.
- B. Determination of Property as Surplus.
 - a. Any property not reserved and classified as surplus to the City's needs will be presented to the City Commission for its review and possible approval by resolution of a surplus real property list.
 - b. Properties approved as surplus by the City Commission via resolution will be eligible for disposal.

C. Disposition of Surplus Property.

- a. Upon approval of the surplus parcels via resolution, the City Manager or designee will post the approved surplus parcels on the City's website noting the designation of the parcel and if it is available for sale or exchange and may initiate actions to dispose of the property via sale or exchange.
- b. The City Manager or designee may designate a real estate acquisition contractor to assist with disposal of surplus property to conduct negotiations and provide to the City a draft agreement for disposition of real property for review by the City Attorney's Office. A resolution will be drafted, and land disposition agreement will be presented to the Commission for review. The contracted real estate acquisition consultant will facilitate the closing of the transaction.
- c. Disposal actions for properties designed as commercial must follow the procedure outlined in section III. C. g.
- d. Waterfront and canal-front lands will not be considered for disposal and may only be transferred via exchange as outlined in section III. C. h.
- e. The City may enter into negotiations with a "Not-for-Profit" corporation or organization for the conveyance by sale, exchange or donation of any City owned property classified as surplus to its need.
- f. Proceeds from the sale of surplus properties will be allocated pursuant to City Commission direction.
- g. The city will not be responsible for any of the buyer's closing costs associated with the real estate transaction.
- h. Disposition of Non-Commercial Surplus Property via Sale.
 - i. The City Manager or designee will notify the adjacent landowners by certified mail of the City's interest in selling the identified property.
 - ii. The notification will include:
 1. The address, email address and/or online portal available to submit a written offer.
 2. The deadline to submit a written offer.
 3. Notification that all closing cost will be borne by the purchaser.
 4. Notification that the City will not warrant that a building permit can or will be issued for the parcel.
 - iii. Upon the written offer submission deadline, City Manager or designee will review offers based on the following criteria
 1. If two (2) or more responses from the adjacent landowners are received, the minimum offer will be equal to or more than the current assessed value of the lot or parcel as determined by the Sarasota County Property Appraiser, or the current market value estimate as determined by the City's contracted real estate acquisition consultant, or by the current market value estimate of the property obtained from a licensed or certified real estate appraiser licensed to conduct business in the State of Florida. The City designee or contracted real estate acquisition consultant will prepare an agreement to sell the parcel at the highest offer received for City Commission consideration.
 2. If only one (1) response from the adjacent landowners is received, the City designee or contracted real estate acquisition consultant

may prepare an agreement to sell the parcel or parcels for City Commission consideration without receiving bids.

3. If there are multiple high offers at the same amount, the submissions with the tying highest offers will be notified of the tie and encouraged to provide their highest and best offer for the property by a stated deadline. The City designee or contracted real estate acquisition consultant will prepare an agreement to sell the parcel at the highest offer received with the purchaser incurring all closing costs.
 4. A resolution to proceed with the sale of property will be brought to the City Commission for consideration.
 5. Any properties that do not receive offers will remain on the surplus list for City Commission consideration during annual review of surplus property. During this review the City Commission may direct the City Manager to proceed with alternate sale options, such as expanding the potential purchaser area, placing up for bid, or similar.
- i. Disposition of Commercial Surplus Property via Sale.
 - i. The City will hold commercial property in reserve until a written offer is received from an interested party.
 - ii. Prior to negotiating, the City Manager or designee will present the offer to the City Commission for consideration.
 - iii. The City Commission may accept an offer of purchase or may declare a commercial property for sale and seek offers or bids from interested parties.
 - iv. An agreement to sell the parcel at the highest offer received with the purchaser incurring all closing costs will be drafted and a resolution will be brought to City Commission for consideration.
 - j. Disposition of Non-Commercial Surplus Property via Land Exchange.
 - i. The goal of a land exchange program is to benefit the City and the landowner. For properties to be acquired for capital improvement or land acquisition projects, exchanging property may be more advantageous for the City than purchasing the property.
 - ii. The City will offer surplus property for exchange with the following criteria:
 1. Property to be acquired via exchange should contain similar attributes as the surplus property (i.e. both properties are buildable, water or canal-front, contain desired natural areas, and/or have similar proximity to the interstate).
 2. The exchange value must benefit the City.
 3. If the property being acquired via exchange has less value than the surplus property, the landowner must make up the difference in cash.
 4. Prior to the City acquiring property planned for development via exchange, a cultural resource assessment and an environmental wetland and wildlife survey must be conducted, unless otherwise determined by the City Commission.
 5. Property that the City seeks to acquire via exchange for other purposes (including preservation) will not require an assessment, a

study, or a survey, unless otherwise determined by the City Commission.

- iii. Upon identification of a parcel that meets the above stated criteria and has an identified need for the City, an agreement to exchange the parcels will be developed with the landowner of the parcel being acquired by the City incurring any closing costs or fees and a resolution will be brought to City Commission for consideration.

D. Acquisition of Real Property

- a. The acquisition of real property may be initiated by an activity as a capital improvement land acquisition project or for economic development projects where the City is looking to acquire land for a specific purpose or in partnership with a future developer.
- b. No department or division of the City shall acquire real property without prior submission to and review by the City Manager.
- c. The requesting department or division shall notify the City Manager, in writing, of its desire to purchase real property and the business justification. Upon approval by the City Manager, the department will coordinate with the contracted real estate acquisition consultant or City Manger's designee to acquire appraisals, as per section g below.
- d. The contracted real estate acquisition consultant firm or City Manager's designee will negotiate the purchase price based on using comparable sales data, of similar properties sold in the area. This information will be compared to the market value determined by the Sarasota County Property Appraiser and if the comparable sales data is showing sales price higher than the market value, the contracted real estate acquisition consultant will provide an analysis to the City Manager who will make the decision of the purchase price to be brought forth to the City Commission for consideration.
- e. All offers and counteroffers must be in writing.
- f. The seller will incur all closing costs.
- g. Thresholds for Appraisal Requirements:
 - i. The City is exempt from obtaining an independent written appraisal for donated parcels and for unimproved parcels that are less than 2 acres in size and not waterfront or on a canal. All other parcels will require an appraisal prior to consideration for purchase.
 - ii. If the purchase price is less than \$500,000, the City must obtain one independent written appraisal.
 - iii. If the purchase price is in excess of \$500,000, the City must obtain two independent written appraisals.
 - iv. In the event there is an existing City-obtained written appraisal on the property less than one (1) year old, that appraisal may be used in lieu of ordering a new appraisal.
- h. Studies and Surveys Requirements:
 - i. Prior to the City purchasing property for development, a cultural resource assessment and an environmental wetland and wildlife survey must be conducted, unless otherwise determined by the City Commission.

- ii. Property that the City purchases for other purposes (including preservation) will not require an assessment, a study, or a survey, unless otherwise determined by the City Commission.
- iii. Property donated to the City will not require an assessment, a study, or a survey, unless otherwise determined by the City Commission.
- i. Property purchased pursuant to this section may qualify for the public records exemption referenced in Florida Statutes Sections 119.07(1) and 166.045.
- j. The contracted real estate acquisition consultant will provide to the City a draft agreement for acquisition of real property for review by the City Attorney's Office. A resolution will be drafted, and purchase agreement will be presented to the Commission for consideration.
- k. If the purchase of real property is approved by Commission, the contracted real estate acquisition consultant will facilitate the closing of the transaction.

Approval

This City Manager Policy has been approved and is in effect as of April 11, 2023.

A. Jerome Fletcher II, ICMA-CM, MPA
City Manager