

Watertown City CouncilMarch 12th, 2019**Agenda Item: Resolution of Support for Land Trust Property Acquisition****Request for Action: Adopt Resolution #2019-41, Supporting the Acquisition of 413 Franklin Ave NW by the CDA****Department: Shane Fineran, City Administrator****Background:**

In 2015 the City had to abate a hazardous property located at 413 Franklin Ave NE following a fire. At the time the City sought a judgement be placed on the property for expenses associated with the remediation and ultimately had these costs specially assessed to the property. This included demolition and removal of the burnt-out structure and filling of the foundation walls. The expense to do this was approximately \$15,193.

Since that time the property has gone into tax forfeiture due to lack of payment of property taxes and is being prepared to be sold via public auction. The starting listing price as determined by the Carver County Assessor's office is \$7,000. If the property is sold via public sale the City would only re-coup a fraction of the expenses associated with assessed remediation costs if the parcel is purchased for an amount less than the special assessment. *Ex: Public Sale Price of \$7,000 – 3% county surcharge and deed tax estimate = Due to City of \$6,650.* The City then has the option of re-assessing any unpaid special assessment outstanding following the public sale.

Prior to public sale, local units of government have the opportunity to acquire the property for the assessed sale price or for free if the parcel will be held in perpetuity for public use such as a park or other municipal facility. This parcel would not make for an adequate piece of property for a public use. The City could consider purchasing the parcel for the public sale value and then attempt to sell the property for a higher price in order to recoup specially assessed costs.

Another option would be to support the acquisition of the property by the Carver County Community Development Authority ("the CDA"). The CDA has expressed interest in this parcel for the construction of a Carver County Community Land Trust property. This is a program that the EDA supports and has dedicated dollars in 2018 and 2019 for grant funding applications to expand the land trust program in the community. The land trust program works to make housing more affordable by providing for land costs to be reduced for new homeowners. Once entered into the land trust program and built out the structure and land become fully taxable. In the acquisition scenario by the CDA the parcel would be acquired for the public sale value of \$7,000 and then the CDA would work to construct a new single-family home on the site and make it available to community members for purchase. In this scenario the City would receive the outstanding special amount minus the county surcharge amount. Staff would recommend that outstanding special assessment balance not be re-assessed.

Funding Source:

N/A

Attachments:

Map of the Parcel

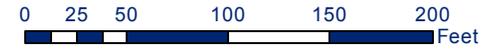
Resolution #2019-41



CITY OF WATERTOWN

413 Franklin Ave NW

Map Date: 3/6/2019



**CITY OF WATERTOWN
RESOLUTION NO. 2019-41**

**RESOLUTION SUPPORTING ACQUISITION OF PROPERTY BY THE CARVER COUNTY
COMMUNITY DEVELOPMENT AUTHORITY**

WHEREAS, the City of Watertown (the “City”) has a stated goal of providing for life-cycle housing within the community; and

WHEREAS, the City has worked closely with the Carver County Community Development Authority (the “CDA”) in support the expansion and re-investment in life-cycle housing in the community; and

WHEREAS, the property located at 413 Franklin Avenue NW and identified with Property Identification Number 85.0500100;

WHEREAS, the City supports the acquisition of this property by the CDA for construction of a home as part of the Carver County Land Trust program; and

WHEREAS, the assessed public sale price is estimated to be \$7,000 as determined by Carver County; and

WHEREAS, the City would not intend to reassess any unpaid special assessments levied to the property that were cancelled at forfeiture and not reimbursed by the distribution of the net revenues available to the City via Minnesota Statute §429.071, §435.23 and §444.076; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Watertown, Minnesota, hereby supports the acquisition of the parcel by the Carver County CDA at the public sale price amount.

Adopted by the City Council of the City of Watertown this 12th day of March, 2019.

Michael Walters, Acting Mayor

ATTEST: _____
Lynn Tschudi, Clerk/Treasurer