

ORDINANCE 208.10

An ordinance to amend the Highland Park Administrative Code, Chapter 208.10, by amending Section (a), deleting fencing requirements, and amending Section (b) by changing "will" to "may". Also, by adding "Mayor" to sections (c) through (i) regarding the sale of vacant lots.

WHEREAS, the City of Highland Park desires to amend a local ordinance by adopting policies and procedures for the sale of vacant lots; and

WHEREAS, the Charter for the City of Highland Park provides that the City Council has the authority to enact all ordinances they deem necessary for the safety, order, and good government of the City and the general welfare of its inhabitants.

NOW, THEREFORE, THE CITY OF HIGHLAND PARK ORDAINS:

208.10 POLICY RE SALE OF VACANT LOTS

- (a) Whenever city vacant lots are no longer required for corporate or public purposes, except any park, or part thereof, except where a park is no longer required under an official master plan, such vacant lots may be sold or leased upon the affirmative vote of four or more members of the City Council. The City may sell or lease city-owned vacant lots using one or more of the following methods: public auction, negotiated sale, listing with real estate broker pursuant to guidelines established by the Mayor, solicitation of sealed bids, or request for proposals. In all cases, the Mayor may develop the disposition strategies, policies, and procedures to facilitate the sale of city-owned vacant lots.
- (b) Private Vacant Lot under City Control. The City shall acquire by purchase, gift, condemnation, tax reversion or otherwise, vacant lots, and interests in vacant lots, within the corporate limits of the City, for any public use, purpose, improvement or service within the scope of its powers and to encumber or dispose of the same.
- (c) When, after recommendation by the Mayor, the City Council determines that it is in the best interest of the City, vacant lots acquired by the City through tax reversion may be disposed of by one, or a combination of more than one, of the following methods, as determined appropriate by the Mayor, on a case-by-case basis: listing with real estate broker; auctions; special auction process; solicitation of sealed bids; negotiated sale; or request for proposals. The Mayor shall submit the offer, which he or she deems to be in the best interests of the City, together with his or her recommendation, to the City Council for action.
 - (1) Sale of Vacant Residential Side Lots to Residents:
 - A. For individuals purchasing side lots, the following conditions apply:
 1. The Purchaser must submit an Offer to Purchase Application and pay a \$25 non-refundable fee.
 2. All Purchasers must own the house adjoining the vacant side lot;
 3. Purchaser must maintain the vacant lot in accordance with city ordinance.

4. Purchasers cannot owe past due taxes, unpaid blight bills nor unpaid water bills; and/or any other indebtedness to the City.
5. Not have any code violations within the past 18 months.
6. Secure the vacant lot, remove debris and maintain the land within 14 days after closing;
7. Price shall be not less than its market value, as determined and certified by the Assessor.
8. Neighboring vacant lot owners who submit an Application to Purchase for the same lot may have the lot split and purchase. Each vacant lot owner must submit a separate, completed application along with the \$25 application fee; however, the purchase price shall be not less than its market value, as determined and certified by the Assessor. The request to split the lot must be made to Wayne County and all associated costs will be at the expense of the vacant lot purchasers. If one adjoining vacant lot purchaser is not interested in splitting the lot, they must sign off on their right to purchase the vacant lot or the City Council may waive the sign off at their discretion.
9. If not current, Purchaser must pay the annual taxes on the side lot and stay current on water bills after purchase.

(2) Sale of Vacant Residential Lots to Residents and Non-Residents

- A. For individuals purchasing residential vacant lots, the following conditions apply:
 1. The Purchaser must submit an Offer to Purchase Application and pay a \$25 non-refundable fee.
 2. Maintain the vacant lot in accordance with city ordinance.
 3. Purchasers cannot owe past due taxes, unpaid blight bills nor unpaid water bills; and/or any other indebtedness to the City.
 4. Not have any code violations within the past 18 months.
 5. Secure the vacant lot, remove debris and maintain the land within 14 days after closing;
 6. If not current, Purchaser must pay the annual taxes on the lot and stay current on water bills after purchase.
 7. Vacant lots forty-five feet and over may be sold as buildable lots. The purchaser shall submit to the Real Estate Division at the time of his or her request for purchase a notarized statement of a development plan. The purchaser shall also be in compliance with Zoning and Community Development Policy.

(3) Sale of Vacant Commercial and Industrial-Zoned Lots

- A. For individuals/businesses purchasing commercial vacant lots, the following conditions apply:
 1. The Purchaser must submit an Offer to Purchase Application and pay a \$25 non-refundable fee.
 2. The Purchaser shall submit to the Real Estate Division at the time of his or her request for purchase a notarized statement of a development plan. The purchaser shall also be in compliance with Zoning and Community Development Policy.
 3. Purchaser must maintain the vacant lot in accordance with city ordinance.
 4. Purchasers cannot owe personal or corporate past due taxes, unpaid blight bills nor unpaid water bills; and/or any other indebtedness to the City.
 5. Not have any code violations within the past 18 months.

6. Secure the vacant lot, remove debris and maintain the land within 14 days after closing;
7. If not current, Purchaser must pay the annual taxes on the lot and stay current on water bills after purchase.
8. Vacant lot located in strategic areas, or properties that the City expects will be in high demand or receive more than one bid are generally publicly marketed or packaged as part of a Request for Proposals (RFP). During the public marketing or RFP process, the City's real estate committee will make disposition decisions based on offered purchase price, the use proposed, and the determined capacity of the potential purchaser.

- (d) Auctions. The City may auction residential vacant lots owned by the City as the need arises.
- (1) Individuals may bid on no more than three (3) residential properties per auction, and highest bidder shall become the Purchaser.
 - (2) Vacant lots forty-five feet and over may be sold as buildable lots. The purchaser shall submit to the Real Estate Division at the time of his or her request for purchase a notarized statement of a development plan. The purchaser shall also be in compliance with Zoning and Community Development Policy.
 - (3) The Purchaser:
 - A. Must maintain the vacant lot in accordance with city ordinance.
 - B. Cannot owe personal or corporate past due taxes, unpaid blight bills nor unpaid water bills; and/or any other indebtedness to the City.
 - C. Not have any code violations within the past 18 months.
 - D. Secure the vacant lot, remove debris and maintain the land within 14 days after closing;
 - E. If not current, Purchaser must pay the annual vacant lot taxes on the lot and stay current on water bills after purchase.
- (e) Development Agreements. The City may enter into development agreements to sell vacant lots with any developer seeking to purchase a minimum of five (5) properties.
- (1) Developer must provide a project plan that the City deems suitable for the benefit of the public's interest.
 - (2) Developer must invest a minimum of \$30,000 - \$100,000 into each vacant lot, as determined by the Mayor and approved by the City Council. If the approved investment per vacant lot is not realized, the City may fine the Developer an agreed-upon amount, unless good cause is shown.
 - (3) Developer shall provide adequate proof of funds equal to fifty percent (50%) of the total projected cost of the development prior to signing a development agreement.
 - (4) Any properties subject to a development agreement shall be excluded from any city auctions.
 - (5) The City may support the development project with letters of support and grant applications to government entities; however, the City shall not incur any financial obligation or liability.
 - (6) Once ownership of the vacant lot is finalized, all taxes, water and sewerage bills become the responsibility of the Developer.
 - (7) Development on each vacant lot shall commence within six (6) months of purchase and must be completed within two (2) years from the date of purchase. Residential lots not being developed within two (2) years will automatically revert to the City, unless the City, at its sole discretion, grants an extension to Developer.

- (8) Developer may request an Option to hold vacant lot from being sold for a due diligence period starting at 3 months not to exceed 6 months. When, after recommendation by the Mayor, the City Council determines that it is not a detriment to the City, Developer may pay a non-refundable fee of \$500, to hold the vacant lot. If an Option is granted, Developer must secure and maintain the vacant lot by:
- A. Clearing the vacant lot of trash and debris and continuing to remove such trash and debris as needed;
 - B. Ensuring that the grass is neatly edged and does not exceed 6 inches;
 - C. Trimming all trees, shrubs, and other plant life as needed; and
 - D. Maintaining all sidewalks and other paved portions of the vacant lot clear of snow and ice in a manner that makes it safe for pedestrians and within the timeframe currently required under City regulations.
- (f) This section shall not apply to real estate purchased pursuant to a United States Department of Housing and Urban Development program.
- (g) All sales of real estate shall be for cash, except that the City may sell on executory land contract if four or more members of the City Council shall vote in favor thereof, provided that in no case shall the contract be for a term of more than five (5) years, nor for less than thirty (30%) percent down; and provided further that the balance owing on the contract shall be paid in monthly or quarterly installments, whichever the City Council shall approve, and shall bear interest at a rate to be determined by the City Council on the unpaid balance. Such contract shall have such other provisions, as the City Council shall approve on the advice of the City Attorney.
- (h) Transactions involving the purchase, sale, gift or lease of vacant lots shall be authorized by City Council resolution. Offers to purchase and proposals to sell city-owned vacant lots shall be reviewed by the City Attorney and a recommendation made concerning:
- (1) The sufficiency of the consideration.
 - (2) The public purpose involved in the land transaction.
- (i) The following factors shall be considered and identified by the Mayor and approved by the City Attorney prior to making any recommendation to the City Council for the purchase, sale or lease of vacant lots:
- (1) Purchase
 - A. Identification of the public purpose involved in the proposed land transaction.
 - B. At a price which shall be not less than its market value, as determined and certified by the Assessor.
 - C. Determination of value as reflected by any recent comparable sales in the immediate area.
 - D. Obtaining an outside appraisal or opinion of value if recommended by the City Attorney or requested by the City Council.
 - E. Transaction upon a negotiated purchase price or through condemnation, if authorized by separate Council resolution.
 - (2) Sale
 - A. Identification of the public purpose involved in the proposed land transaction.
 - B. At a price which shall be not less than its market value, as determined and certified by the Assessor.
 - C. Advertising and/or posting the vacant lot if two or more persons have indicated an interest in the vacant lot, the vacant lot has a general utility, or the City Council requests the vacant lot to be advertised.

- D. Examining the use to which the vacant lot can or will be put and the cost of acquisition, demolition and improvement.
 - E. Sale to the highest bidder. Consideration to include dollar offer and such other items as identified by the City Attorney that represent a legal obligation to the City and value assigned thereto. The City shall reserve the right to reject all bids.
- (3) Lease
- A. Identification of the public purpose involved in the proposed land transaction.
 - B. At a price which shall be not less than its market value, as determined and certified by the Assessor.
 - C. As lessor, advertising and/or posting the vacant lot if two or more persons have indicated an interest in the vacant lot or the vacant lot has general utility or the City Council requests that the vacant lot be advertised.
 - D. As lessee, the lease fee should be based upon the above indicators of value through a negotiated lease fee procedure.

These rules of procedure shall be construed liberally in recognition of the unique character of land transactions and the requirement that all vacant lot transactions shall be authorized by City Council resolution. All land transactions involving city officers or employees shall be governed by applicable provisions of state law and city charter on conflicts of interest and, in any event, shall require a full disclosure of the officer or employee's interest and non-voting of the officer involved.

FIRST READING: _____

SECOND READING AND ADOPTION:

PASSED AND ADOPTED THIS _____ DAY OF _____, 2018.

ATTEST:

Brenda Green, City Clerk

