

POLICY FOR DISPOSITION OF CITY OWNED REAL PROPERTY –

Adopted by Council Action January 13, 2000. Revised November 21, 2002 & September 13, 2007; Amended by Resolution August 21, 2010 effective noon, January 10, 2011

The following guidelines apply to the disposition (by sale or lease) of City-owned property, excluding property that is part of the Pensacola International Airport or the Port of Pensacola. This policy does not affect vacations of City rights-of-way or City easements.

Types of Disposal by Sale or Lease

- A. Open Bid
- B. Request for Proposal (RFP)
- C. Direct Negotiation
- D. Economic Development Option

Process

1. The Mayor identifies City property as (1) surplus property that is available for disposal, or (2) under-utilized property that is available for development or tenancy. The Mayor then recommends to City Council a method for identifying a purchaser, developer, or tenant (open bid, RFP, direct negotiation, economic development direct negotiation, or Housing Department's Residential Lot Purchase program).
2. The subject property is reviewed to determine if it is subject to the Sensitive Properties ordinance, Ordinance No. 25-20 (pertinent official records for parcel history, historical significance of a named structure, etc.). The procedure described in that ordinance is followed.
3. A notice is sent to property owners within a 300-foot radius informing them of the possibility that the property may be declared to be surplus property or under-utilized property.
4. City Council confirms the availability of the subject property and determines the methodology to be used.
5. Depending on the method authorized by the Council, staff proceeds as outlined below:
 - A. Open Bid Option:
 - a. Obtain an appraisal.
 - b. Prepare bid specifications.
 - c. Accept public sealed bids.
 - B. RFP Option:
 - a. Obtain an appraisal.
 - b. Identify development or utilization criteria based on comprehensive plan, master plans, economic or market conditions, impact on adjacent neighborhoods, neighborhood input, and physical characteristics of property.
 - c. Prepare RFP requirements and specifications.

- d. Accept public sealed proposal(s).

C. Direct Negotiation Option:

- a. Obtain an appraisal unless the subject property is (1) of little or no value, (2) a direct conveyance with no monies exchanged, or (3) situated in such a size or manner to be of use to only an adjacent property owner. "Little or no value" is defined as being currently listed by the Property Appraiser as having a total assessed value of \$5,000.00 or less.
- b. Administration negotiates the agreement.

D. Economic Development Option:

- a. Obtain an appraisal unless the subject property is (1) of little or no value, (2) a direct conveyance with no monies exchanged, or (3) situated in such a size or manner to be of use to only an adjacent property owner. "Little or no value" is defined as being currently listed by the Property Appraiser as having a total assessed value of \$5,000.00 or less.
- b. Determine if the party or parties meet the Minimum Qualifying Criteria, in that their proposed use:
 - i. Will result in the creation of new jobs in the City, and
 - ii. Will substantially enhance the economic health of the City by creating jobs with an average salary of at least 130% of average annual Pensacola MSA Wages according to the Florida Agency for Workforce Innovation, and
 - iii. The new jobs created are in a Qualified Targeted Industry (QTI) approved by the Florida Office of Trade, Tourism and Economic Development as prescribed in F.S. 288.106, and
 - iv. The company that will benefit from the sale or lease of publicly-owned land must demonstrate that over 50 percent of its annual sales revenue is generated from outside of the Pensacola MSA.
- c. Administration negotiates an agreement.

E. Housing Department's Residential Lot Purchase program:

- a. Residential lot will be offered to a qualified homeowner through the City Housing Division.
- b. Lot value will be based upon the appraised value of the land.
- c. Selection of the purchaser will be via a lottery consisting of interested, pre-qualified prospective homeowners.
- d. Properties will be marketed through neighborhood-centered, on-site signage, churches, neighborhood groups, and conventional media.
- e. Persons having interest in buying and building will be directed to secure a firm letter of commitment of their financial ability from a qualified lender within 60 days from start of the campaign.
- f. On the specified date and time a drawing will be held from the pool of qualified buyers and the winner announced.
- g. The buyer will secure financing for the value of the improvements only.

- h. City will deed the land to the buyer at closing, taking back a subordinate mortgage for the land value.
 - i. Other implementation guidelines will be determined by the City Housing Division.
- 6. City Council then accepts or rejects the bid, proposal, or negotiated agreement.