

CITY OF CHESAPEAKE, VIRGINIA

NUMBER: 4.16

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 01/05/10

**SUBJECT: DEPARTMENT OF PUBLIC WORKS
PROCEDURE FOR TRANSFERRING
CITY-OWNED SURPLUS REAL ESTATE**

SUPERSEDES: 4/21/05

I. PURPOSE

The purpose is to establish a procedure for selling City-Owned real estate pursuant to State law and City law and policy, and to dispose of surplus City property to reduce the City maintenance cost of same. The following guidelines have been authorized.

There are two types of surplus real estate:

- (1) Undevelopable property which will be offered only to adjacent landowners.
- (2) Developable property that can independently be improved which will be sold by a “sealed bid” process.

II. PROCEDURE AND RESPONSIBILITY

A. Undevelopable property:

- (1) When a written request for purchase of undevelopable City-owned real estate is received, it will be forwarded to and coordinated by the Right-of-Way Office, Department of Public Works of the City (ROW).
- (2) ROW will query the City’s real estate data base to confirm City ownership, current or past utilization of property, current condition of property, how property was acquired, and if purchased, how much was paid for the property; and finally, for general knowledge only, the current and past real estate assessment information on the property. As stated above, undevelopable sites will be offered only to adjacent landowners.
- (3) ROW will communicate with the interested party, advise the interested party that City Council must approve any sale, and that the property will be sold for the appraised fair market value plus any actual costs incurred by the City in connection with the sale. ROW will furnish a copy of the City’s Procedure for Selling City-Owned Surplus Real Estate to the interested party to ensure that the interested party understands the requirements.
- (4) ROW will circulate the written request to purchase and the data gathered on the subject undevelopable property to the City Manager’s Office, Deputy City Managers and to all Department Heads to determine if any interest exists to retain the property. This circulation will have a two-week response time limit.

- (5) The City Manager will review the potential transfer, give authority to advertise, make the decision of the disposition of funds, and the potential transfer will be part of the Thursday Package two weeks prior to advertisement.
- (6) Because the property is undevelopable due to size, configuration, lack of road frontage, or other circumstance relating to the condition of the property, the appraisal may be made in-house by the ROW appraiser. If the prospective purchaser desires to have an independent appraisal performed, the appraiser must be from the City's list of approved appraisers, who must be a licensed appraiser. The appraisal must meet all appraisal standards, and the appraisal will be ordered and paid for by the interested party.
- (7) If ROW and the City Attorney determine that a survey is required for the undevelopable property, the buyer will be responsible for acquiring and paying for the survey. If a subdivision is necessary to convey the property pursuant to Virginia Code Section 15.2-2254, the buyer will be responsible for furnishing the subdivision plat and recording an approved plat, and shall pay all costs associated therewith.
- (8) Following receipt, review, and approval of the appraisal and survey or subdivision plat for the undevelopable property (if required), ROW will request the buyer to forward a letter of intent to purchase the property at the appraised value, along with funds to pay for the advertisement of the required public hearing to be held by City Council.
- (9) Following the receipt of the estimated advertisement cost of the undevelopable property for the public hearing, as determined by the City Attorney's Office, ROW will request the City Attorney to schedule and conduct a public hearing.
- (10) The City Attorney will advertise the public hearing in a newspaper having a general circulation in the City of Chesapeake, and will prepare a proposed resolution to be placed on the public hearing portion of City Council's agenda for consideration at the next available City Council meeting. In most cases, a three-quarters vote of City Council is needed to approve the sale, pursuant to the Virginia Constitution, Article VII, Section 9.
- (11) If City Council approves the resolution to transfer the subject property, the City Attorney's Office will prepare and have executed the appropriate documents, including a deed and settlement statement, to conclude the sale of the subject property, subject to all subdivision requirements being completed pursuant to Virginia Code Section 15.2-2254 and Chapter 70 of the City Code. The City Attorney will require a certified check, cashier's check, or money order payable to the City of Chesapeake for the amount of the property, as approved by City Council.

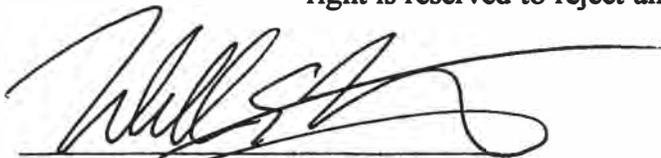
- (12) Buyer will be responsible for all closing costs, including costs of appraisal, survey and subdivision (if required), advertising costs, and any recording fees required by the Clerk of Circuit Court for all undevelopable property.

B. Developable Property:

- (1) For property that can be independently developed, the “sealed bid” process will apply.
- (2) When a City department determines that it has potential surplus developable property for which it no longer has a use, that department will notify ROW. Also, if a request is received from an outside source to purchase developable City-owned property, the request will be referred to ROW.
- (3) ROW will query the City’s real estate data base to confirm City ownership, current or past utilization of property, current condition of property, how property was acquired, and if purchased, how much was paid for the property; and finally, for general knowledge only, the current and past real estate assessment information on the property.
- (4) ROW will circulate the written request to purchase, or the notification from the City department of potential surplus property, with the data gathered on the subject property, site plan, and/or location sketch to the City Manager’s Office, Deputy City Managers and to all Department Heads, Chesapeake Redevelopment and Housing Authority (CRHA), and Economic Development Authority (EDA) to determine if any interest exists to retain the property. This circulation will have a two-week response time limit.
- (5) The City Manager will review the potential transfer, give authority to advertise, make the decision of the disposition of funds, and the potential transfer will be part of the Thursday Package two weeks prior to advertisement.
- (6) If no interest is expressed to retain the developable property, and after receiving permission from the City Manager, the ROW Agent will request the City Attorney to schedule, advertise, and conduct a public hearing.
- (7) The City Attorney will advertise the public hearing in a newspaper having a general circulation in the City of Chesapeake, and will prepare a proposed resolution to be placed on the public hearing portion of City Council’s agenda for consideration at the next available City Council meeting. In most cases, a three-quarters vote of City Council is needed to approve the sale, pursuant to the Virginia Constitution, Article VII, Section 9.
- (8) The resolution will authorize that the developable property be sold pursuant to the “sealed bid” process. The resolution will authorize the ROW Agent to

advertise and accept bids, and the City Manager and City Clerk to execute a deed to convey said property to the high bidder or his assigns, to accept the next highest bid, or to reject all bids and sell at a private sale pursuant to Virginia Code Section 15.2-1800, as the City Manager determines will be in the best interests of the City.

- (9) The ROW Agent will handle the “sealed bid” process as follows:
- (a) A for-sale sign will be placed on the developable property, and the property will be advertised in the newspaper.
 - (b) Adjacent landowners to the property and those persons on the City’s bidders’ list will be notified.
 - (c) The property information and bid proposal form may be accessed from the City web site.
 - (d) Bids must be submitted in the manner prescribed in the “Instruction to Bidders” available from the City of Chesapeake, accompanied by a certified check, cashier’s check, or money order in the amount of 10 percent of the bid as a deposit. The successful bidder’s deposit will be applied toward the purchase price. All others will be returned. Closing shall occur within 30 days after the approval of sale.
 - (e) The bidder will pay the balance of the purchase price upon delivery of the deed. Should the successful bidder fail to pay the balance of the purchase price, the sale will be declared void by the City, and the bid deposit will be forfeited and retained as liquidated damages and not as a penalty. The next highest bidder may be notified and offered the property, etc.
 - (f) In addition to the purchase price, the successful bidder will pay the advertising costs of the newspaper ad run by ROW and recording costs.
 - (g) The City Attorney will prepare the deed and settlement statement.
- (10) The City will not furnish nor be responsible for an appraisal, a survey, a title examination, or a subdivision plat. If an appraisal, survey, or subdivision plat is required by the City, the successful bidder will be responsible for same.
- (11) Employees of the City or their immediate families are not eligible to bid. The right is reserved to reject any bid. The property is being sold “as is.”


William E Harrell, City Manager

1/5/10
Date