

City of Sheldon
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Policy for the Disposition of City-Owned Properties

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General Information

The City of Sheldon may from time to time acquire dilapidated, condemned, or abandoned properties or vacant lots. The acquisition of such properties is to enhance the community's quality of life, protect health and safety, and protect property values. The City intends to sell these properties to responsible community members so that they can be renovated, redeveloped, or repurposed to enhance the City. The following are potential future uses for these properties, listed in priority ranking:

1. Renovation of the existing structure.
2. Demolition of the existing structure and construction of a new primary structure.
3. Demolition of the existing structure and converting the lot into a yard/open/green space.

Properties acquired by the City in these circumstances will typically be offered for sale through a sealed bid process. However, there are two separate processes by which the City may dispose of these properties: by sealed bid or by application. Generally speaking, the City will dispose of properties with existing structures on them through the sealed bid process. The acquisition through application process is generally intended for vacant and unused City properties not being sold through the bidding process.

All properties will be sold "as is" and without any warranties as to title or merchantability. The buyer shall pay all costs of conveyance, any property taxes or assessments owed, and the cost of publishing public hearing notices. Any property to be sold by the City which is subject to or made contingent upon the buyer performing any action relative to the property, shall be sold by written real estate contract with the deed to be delivered only after the steps or actions have been satisfactorily taken or performed. All such contracts shall be subject to forfeiture as provided by Iowa Code Chapter 656 in the event the required steps or actions are not satisfactorily taken or performed. No bid securities, purchase payments, or other costs incurred by the buyer will be repaid by the City if a contract is forfeited or a transfer is otherwise cancelled.

The use of any property purchased shall be consistent with the property's existing zoning classification. However, the City may, in its discretion, require a buyer, at the buyer's expense, to obtain a zoning variance or apply for rezoning. The City may impose other requirements, including, without limitation, a requirement that fencing be installed or that lighting be added or restricted, as deemed necessary by the City.

City properties may not be mined for soil, nor stripped of vegetative cover, trees, shrubs, or other living material, except where necessary for construction and redevelopment or to comply with City Code. (For purposes of this Policy, "City Code" includes all duly passed City ordinances.) Properties sold or used as green space will be maintained in a manner appropriate to the neighborhood and consistent with City Code.

Sealed Bids

The purpose of accepting sealed bids is to ensure the best price for the taxpayers, but also to require interested parties to outline a plan for the property that will culminate in a higher assessed value. In some circumstances, the City will approve plans that provide additional green space that enhances the lot size of an adjoining property.

Process

City-acquired dilapidated, condemned, or abandoned properties will be advertised for sealed bids. The City will furnish bid forms for the dilapidated, condemned, or abandoned properties. When a property is advertised for bid, the City shall state the date by which all bids will need to be received, which will typically be ten (10) or more working days following the advertisement. Bids and security payment can be submitted during regular office hours at City Clerk's Office, City Hall, 416 9th Street, Sheldon, IA 51201.

In some situations, the City may set a minimum bid price of one-thousand dollars (\$1,000) or more. Interested parties will be given an opportunity at a time determined by City staff to inspect the dilapidated, condemned, or abandoned properties prior to submitting a bid. A ten percent (10%) or \$200 (whichever is greater) bid security, in the form of a certified check or money order is required from every bidder. Bid securities for unsuccessful bidders will be returned. The bid security of the successful bidder will be applied to the total bid due to the City.

Purchase of City-owned property is subject to approval by the City Council and requires a public hearing that will be held prior to Council approval. Buyers will be notified of the public hearing date. City staff will recommend the highest responsible bid be approved by City Council, who shall retain the right to accept or reject bids in the best interests of the City. The priorities listed in the General Information of this Policy, and a bidder's proposed plan for the property, may be used to determine the best interests of the City.

A property placed out for bid shall be sold for the express purposes stated in a bidder's proposed plan for the property. A development agreement with a successful bidder may be required as determined by the City.

Bidder / Buyer Responsibilities

A bidder shall submit a repair, demolition and/or reconstruction plan to the City along with their initial bid. Action to fulfill the submitted plan by the successful bidder (the buyer) shall meet the following deadlines, unless specifically extended in writing by the City:

- Repairs must be concluded within one-hundred eighty (180) days of the transfer date; or
- Demolition must be concluded within ninety (90) days of the transfer date; or

- Reconstruction must be initiated (including necessary zoning permits obtained) within one-hundred eighty (180) days of the transfer date and concluded within one (1) year from transfer date.

For purposes of this Policy, the “transfer date” shall be the earlier of (i) the date a real estate contract is executed pursuant to this Policy by the City and the buyer or (ii) the date a quit claim deed is delivered by the City to the buyer. All payments due from the buyer to the City shall be paid on or before the transfer date.

The buyer shall notify the City when the buyer believes the project is complete and all obligations have been met. At that time, City staff shall inspect the property for compliance with the stated plan and notify the buyer when all obligations have been satisfactorily met. As explained in the General Information portion of this Policy, nonperformance may result in contract forfeiture or cancellation of the transfer.

Acquisition Application (does not apply to new additions).

The purpose of sale by application process is to provide a consistent manner by which individuals and entities can apply to purchase unused, City-owned land. This process does not apply to new subdivisions or to property owned by SCDC (Sheldon Chamber and Economic Development Corp). The City does not intend to hold unused properties indefinitely but may not always put properties up for bid in the time necessitated by some market opportunities. This process allows entities to acquire property that may not immediately have been put out for bid by the City. This process, however, is not intended to allow interested parties to circumvent the bidding process by applying for acquisition before the City has the opportunity to solicit for bids. The City reserves the right to solicit for bids after an acquisition application has been submitted.

Process

The City will have property acquisition application forms available at City Hall and online. As part of the application, the applicant shall submit a plan for future use (and, if applicable, a repair, demolition and/or reconstruction plan) of the property. The use shall be consistent with the priorities identified in this Policy. City staff shall review the application and provide a recommendation to City Council. The sale of City-owned property requires a public hearing and is subject to approval by the City Council.

Minimum Lot Prices and other Terms

The minimum price for each lot shall be one thousand dollars (\$1,000) per lot, except that the minimum per lot price shall be five hundred dollars (\$500) for neighboring property owners. Neighboring properties are considered those properties that abut the property being sold or that lie directly across a City-owned alley from the property. Non-profit organizations that have tax-exempt status with the Internal Revenue Service (such as Habitat for Humanity) or other similar non-profit organizations that build quality housing projects as determined by the City, may offer to purchase City owned properties for five hundred dollars (\$500). This \$500 offer is not generally available to for-profit organizations; however, the City Council may consider

modifying the minimum lot price if the applicant can demonstrate a reasonable expectation that a substantial cost will be incurred in preparing the lot for use.

If it comes to the attention of the City that more than one party is interested in purchasing the lot, sealed bids will be accepted with the minimum bid set at five hundred dollars (\$500) from the interested parties.

At the time the application is submitted, the applicant shall also submit a security deposit of two hundred dollars (\$200). This cash deposit shall be sent to the City Clerk's Office, City Hall, 416 9th Street, Sheldon, IA 51201. The deposit may be in the form of cash or a certified check or money order made payable to the City of Sheldon.

Deposits on vacant lots are nonrefundable and will be forfeited in the event the applicant withdraws an offer or does not complete the property purchase upon approval by the City Council. If the buyer proceeds with the property purchase, the deposit shall be applied to the total cost of the property and expenses incurred for conveyance.

A property sold per the above-outlined application process shall be sold for the express purposes stated in an applicant's proposed plan for the property. A development agreement with a successful applicant may be required as determined by the City. The plan-compliance deadlines and all other terms stated in the "Bidder / Buyer Responsibilities" subsection of this Policy shall also apply to properties sold per this application process.



Invitation to Bidders

The City of Sheldon, Iowa will accept sealed bids until _____ local time on the ____ day of _____, _____ in the office of the City Clerk, City Hall, 416 9th Street, Sheldon IA 51201 for the real property legally described as:

Insert property photo(s) here

This property consists of_____. The City is selling this property to be repaired to at least the minimum State standards for occupancy, as applicable, or the building may need to be demolished. The building cannot be occupied until the City agrees the work is complete. Some of the significant deficiencies/needed repairs include:

1. _____
2. _____
3. _____
4. _____

The above listed items should not be construed to be an exhaustive list of deficiencies or needed repairs. It is the buyer's responsibility to ensure that all deficiencies are identified and corrected.

This property is offered for sale subject to the following conditions:

1. All city, state, and federal codes and regulations, specifically including the City of Sheldon's Disposition of City-Owned Properties Policy, are followed.
2. _____
3. _____
4. _____

A bid security in the form of a certified check or money order in the amount of ten percent (10%) of the bid price or \$200 (whichever is greater) is required to be submitted with the bid. At the time of submittal, the bidder is required to submit a repair, demolition, or reconstruction plan to the City with a one-hundred eighty (180) day timeline to repair or initiate reconstruction of the building or submit a statement that the building will be demolished within ninety (90) days. Additional terms are set forth in the Disposition of City-Owned Properties Policy.

Bids shall be mailed or delivered to the City Clerk's office located on the first floor of City Hall, 416 9th Street, Sheldon, IA 51201 in a sealed envelope and plainly marked *Bid for* _____ prior to ____ on _____, 2019. Bids will be opened at that time. A bid report, with a recommendation, will be presented to the City Council at the regular meeting on _____.

Bid packets can be obtained at the City Clerk's office.

The property will be open for persons interested in inspecting the interior of the building on - _____ from ____ until ____.

Questions regarding this invitation to bidders should be directed to _____, _____ Sheldon, IA 51201.



City-Owned Property Bid Form / Purchase Application

Check which type of city-owned property you want to purchase:

Vacant Lot: Are you the owner of a neighboring property owner? Yes / No
Are you a non-profit organization? Yes / No

Building/Lot for Bids: Minimum bid set by the City is \$_____

Address or legal description of property:

Proposed buyer's name, address and phone number:

Dollar amount of the offer: \$_____

The minimum price for each vacant lot is one thousand dollars (\$1,000) per lot, except that the minimum per vacant lot price shall be five hundred dollars (\$500) to neighboring property owners and non-profit organizations per the Disposition of City-Owned Properties Policy.

Briefly describe your plan for the property per the Disposition of City-Owned Properties Policy:

I, the undersigned, have been provided with and understand the City of Sheldon's Disposition of City-Owned Properties Policy, and hereby agree to abide by the regulations therein, and submit this offer to buy the property identified above.

Signed: _____ Date: _____