



**POLICY FOR INVENTORY, USE, AND DISPOSAL OF
CITY-OWNED PROPERTY**

I. MISSION:

City-owned real property should be necessary for the functioning of City Government, in that it enables that government to serve the collective needs of the public. If City-owned property is not necessary for the functioning of City Government, it should serve a public purpose.

II. INTENT AND PURPOSE:

To coordinate asset management across multiple citywide uses that sustainably meets the needs of the community.

To implement long term needs and recommendations of approved Planning documents (Master Plan, Bayfront Plan, Corridor Plan, Parks & Recreation Plan, etc.)

To provide a consistent approach and decision making process for the City's management of its assets.

III. HIERARCHY OF USES OF CITY PROPERTY:

The best possible use for surplus or under-utilized city-owned property is achieved by evaluating options for their economic, social, and environmental public benefit. This is achieved by evaluating against a prioritization of needs that fall within the overarching responsibility of protecting and improving "public health, safety, and welfare".

1. Necessary for the functioning of City Government, such as:
 - a) Emergency Services and Public Safety use – police, fire, medical response
 - b) General government use – Operations (City Clerk, City Treasurer, etc.), meeting rooms, areas reserved for necessary direct public interaction
 - c) General government use – Public Infrastructure (water, sewer, storm, streets, etc.)
 - d) General governmental use - Public Services (workshops, garages, warehouses, storage yards, etc.)
2. Property that serves a public purpose (administered by government), such as:
 - a) Transportation facilities – streets, sidewalks, trails
 - b) Parks/Recreational facilities
 - c) Parking facilities
 - d) Historic and cultural sites & facilities
 - e) Environmentally sensitive areas (steep slopes, riverbanks, wetlands, coastline)
3. Property that serves a public purpose or goal (administered by others – usually a non-profit organization), such as:

- a) Historic and cultural sites & facilities
 - b) Recreational programming
 - c) Property Repurposed by others
 - d) Facilities serving basic human needs
4. Property that could serve a non-public purpose, such as:
- a) Property available for redevelopment that could serve a public goal
 - b) Property available for redevelopment that could be sold for private use

IV. GOALS FOR PROPERTY DEEMED SURPLUS OR EXPENDABLE:
Any property deemed surplus shall be offered for disposal (sale, lease, or other arrangement) for fair value utilizing the public bid process.

1. If city-owned property is deemed surplus, the first choice for disposal should serve a public purpose, such as
 - Other governmental unit purposes (i.e., County, Townships, Schools), an affordable housing program, or use by a non-profit for a public or quasi-public purpose.
2. If a public purpose is not feasible or suitable for a subject property, then the property should be sold.
3. In the instance of a sale, if the City Commission determines that the proceeds of the sale should be designated for a specific purpose, then it shall be so noted in the motion authorizing the sale.

Consideration of property transfer would be after a thorough vetting and administrative analysis of the City's needs for the property. If no such need (current or future) exists, then a disposition scenario should be activated.

V. PORTFOLIO PLAN:

A Portfolio Plan shall be maintained for all City-owned property. Each portfolio shall include the following information.

1. **Classification**-Each property shall be classified as
 - a) Governmental: Necessary for the function of City government or to meet City Charter requirements (for example: fire, administrative offices, parkland, service yards)
 - b) Public Purpose- Administered by City: Used to provide service directly to the public (for example: Carnegie Building, Parks, Marina).
 - c) Public Purpose- Administered by Others: Used to provide service directly to the public and/or would otherwise require investment of City resources (for example: Senior Center, Opera House, Bijou).
 - d) Investment: Purchased as part of strategic or master plan for future development (for example: trail, park, right of way).
 - e) Surplus: Properties no longer in use for their originally intended purpose that are vacant or have been declared surplus.

2. **Condition**-Scaled as follows:

- Excellent – in “like new” condition and/or high quality materials used
- Good – no remedial work is required
- Average – system is aging, but building services are functional and no remedial work is required
- Fair – system is aging and/or minor remedial work is required
- Poor – replacement or major remedial work is required

The most recent real estate appraisal of the property will be included, if available.

Status-Additional detail pertinent to any use of the property. This should include

- a) Current zoning and property type
- b) Lease status
- c) Leasehold conditions and/or deed restrictions, park land, charter restrictions or other policy restrictions
- d) Details of any financial arrangements such as funding/construction agreements, management agreements, etc.
- e) Details of any known environmental conditions/concerns, such as wetlands, environmental contamination, sensitive shoreline, protected habitat, etc.
- f) Details of any known historical significance

Public/Private Partnership-this includes properties that may be physically and/or financially difficult to (re)develop, but that have been identified as important for overall community improvement. A public/private partnership may provide additional financial resources and/or alternatives for (re)development.

Not-for-Profit Plan-This includes any properties leased to a non-profit. This should include

- a) Value of property and type of contract (lease, management agreement)
- b) Any services provided by the City as part of the lease agreement (Maintenance, parking patrol, utilities)
- c) Summary of business case for each agreement

APPENDIX A

ADMINISTRATIVE GUIDELINES:

When a request for proposal is received or inquiry made, the interested party shall be directed to the City Manager. The City Manager will utilize the Portfolio Plan to refer the inquiry as appropriate.

The status of the property shall direct next steps in the process. The applicant will also be made aware of the potential steps in the process that should be addressed in the proposal. This may or may not include items such as zoning/ordinance requirements, financial statements, bidding process, and contract requirements (bonds, insurance, professional services required for engineer, architect, Contractor).

Based on portfolio plan the following questions will be addressed. This may or may not include expanded opportunities for targeted Public Engagement.

Need-

Does the program address a substantiated community need?

Does the program have the potential to provide community benefit?

Does the program address an unmet community need?

Are similar services currently provided?

Community Support/Partners-

Does the program have the support of actual/potential community partners?

Organizational Documents-

Does the program meet City Charter requirements?

Will the program advance the City's Master Plan? Related planning documents?

Does the program meet the City's mission, vision, strategic plan?

Organizational Capacity-

Does the City have the human and material resources to deliver the program?

How will the program affect the City's financial position?

If pursued, how will other activities or priorities be affected?

All submitted proposals shall be fully vetted by the appropriate City Committee or City Staff before any presentation to the City Commission. This information will be provided to the Commission at the time of the presentation. Additional consideration that may be addressed in deliberations by the Committee/Commission should include:

What is the best public benefit this property can provide our citizens?

Does the proposed use:

Compete for public benefits?

Provide public access?

Leverage public and/or private funding?

Provide quantifiable economic impact? Public benefit?

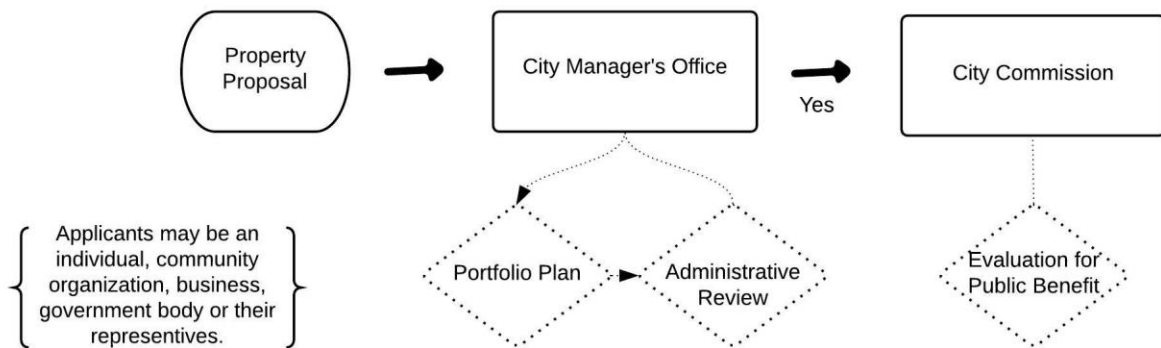
Provide a financially stable model?

ⁱRequire additional public funding or subsidy?

ⁱ See also City Commission Policies: Infrastructure Strategy Policy and Park Protection Policy

APPENDIX B

Process for Disposition of City Assets (Land)



I certify that the above policy was adopted by the City Commission of the City of Traverse City at its regular meeting of November 2, 2015, held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Benjamin C. Marentette, MMC, City Clerk