

Adopting the Policy on the Sale and Disposition of Real Property Owned By Cayuga County

By: Tucker Whitman, Chairman, Public Works
Joseph Runkle, Chairman, Ways & Means

WHEREAS, the County Legislature has adopted numerous policies and procedures for conducting County business and others which are mandated by Federal and State governments; and

WHEREAS, the County wishes to adopt a policy on the Sale and Disposition of Real Property Owned by Cayuga County that has been acquired through means other than the current year tax foreclosure process, and

NOW, THEREFORE BE IT,

RESOLVED, that the County Legislature does hereby adopt the attached Policy on the Sale and Disposition of Real Property Owned by Cayuga County, and be it further

RESOLVED, that the Policy be numbered Section 78 in the County Policy Manual and distributed by the Clerk of the Legislature to all County Department Heads; and be it further

RESOLVED, that this resolution will take effect immediately upon adoption.

I HEREBY CERTIFY, THAT I HAVE COMPARED THE FOREGOING COPY OF A RESOLUTION DULY PASSED AND ADOPTED BY THE LEGISLATURE OF CAYUGA COUNTY AT A MEETING HELD ON THE 23rd DAY OF SEPTEMBER 2014 WITH THE ORIGINAL RESOLUTION, AND THAT THE SAME IS A TRUE AND CORRECT COPY AND TRANSCRIPT THEREOF, AND THE WHOLE THEREOF.

9-24-14 9:10AM

Sheila P. Smith

CLERK, CAYUGA COUNTY LEGISLATURE

Policy Number – 78	Last Update:
Effective Date: 9-23-14	9-23-14
Title : POLICY ON THE SALE & DISPOSITION OF REAL PROPERTY OWNED BY CAYUGA COUNTY	

PURPOSE

The county owns and maintains various parcels of real property which it should review periodically to evaluate the current use and need in relation to the mission of conducting of county business and/or services. Historically, the means by which the county acquired such property has varied which may result in the county owning excess or surplus properties that no longer serve a direct current or anticipated future county use.

This policy is intended to ensure the protection of the county-owned real property and to establish a process, and provide guidelines, for how best to evaluate the use and condition of county-owned real property as well as options for the sale and disposition of property that has been declared surplus. Surplus real property is property that is either no longer in use or for which there is no further plan for its use and is not required to meet the current or future program or operational requirements of the county.

COUNTY-OWNED REAL PROPERTY COMMITTEE

When a review of county-owned real property is deemed necessary, a committee comprised of the following should be assembled for the purposes of evaluating the current, potential or anticipated future use of the property, along with making a recommendation to the County Legislature on possible next steps:

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|---|----------------------------|------------------|
| Director of Real Property Tax Services | County Administrator | County Attorney |
| Director of Planning | Environmental Engineer | County Treasurer |
| Superintendent of Buildings & Grounds/Parks | Superintendent of Highways | |

Note a designee may also be assigned to participate on behalf of any committee member listed. The committee shall review the complete list of county-owned property at least every three years or when a request is made by the Legislature. Review of individual parcels may also be done when there is a request from an interested party.

LIST OF PROPERTY

The Director of Real Property Tax Services shall provide an updated list of all county-owned properties for the purposes of the review and it shall be based on the data available through the Real Property System database.

METHOD OF EVALUATION

The County-Owned Real Property Committee may evaluate all county-owned properties at once, or be assembled to review individual parcels as needed. A standardized form should be utilized to ensure that key areas and criteria are considered prior to making a recommendation to the Legislature. At a minimum the review should include the following information:

1. Parcel Identification: SWIS Code, Tax Map Number, Municipal Name, Property Location, Parcel Size, Owner Name, Land Assessed Value, Total Assessed Value, Property Class Code and Description, Legislative District
2. Tax Map, and if available, survey map and photos
3. Parcel history of how or why it was acquired (abandoned utility, parks, foreclosure history, etc)
4. Deed review to identify restrictive covenants, easements and rights of way
5. Identification of zoning restrictions, local land use policies
6. Environmental concerns
7. Process for potential parcel split or merge (refer to local zoning)
8. Site inspection to determine suitability of uses (county services, parks, highway, economic development, sale)
9. Consideration of alienation and conversion issues associated with park land.
10. Property management considerations (parks, buildings and grounds, tenants)
11. Financial impact of recommendation (projected revenue and expenses; source of funds, budget area)

POTENTIAL RECOMMENDED OUTCOMES

Once the County-Owned Real Property Committee has assembled and reviewed the above mentioned criteria, the committee should then prepare a recommendation of potential outcomes for the Legislature to consider. If more than one recommended outcome is identified, each should be given a ranking and priority by the committee. For each recommended outcome, a projected financial impact and a list of next steps for executing the recommendation should also be provided. Below are some examples of the most likely outcomes and steps or considerations for each.

1. **Retain for County Use** – if it is deemed appropriate to retain the property for county use then a summary should be included for current and anticipated maintenance requirements from the buildings and grounds, parks, highways or other relevant department perspective. Scenarios this may apply to:
 - a. Buildings or land in current use for county services, with no anticipated change.
 - b. Buildings or land that that may have a future use. Identify the use and anticipated maintenance required now and in the future.
 - c. Wooded land that may be desirable for logging, or as part of a forest management plan. Provide options and suggested bid process with anticipated financial impact.

2. **Offer for sale to adjacent owner or other interested party** – if it is deemed appropriate to declare the property surplus and as having no current or anticipated county use, the property may be recommended for sale to an interested party or adjacent owner. Considerations and next steps:
 - a. Identify potential interested parties. This could result from a request by an interested party or by looking at the tax map to determine who should be contacted about a potential sale.
 - b. Refer to assessed value in determining value. For complex properties or special circumstance, determine if an appraisal is necessary. If so, what is the expected cost and proposed funding source – potential owner's responsibility or county budget?
 - c. Determine if a survey is necessary. If so, what is the expected cost and proposed funding source – potential owner's responsibility or county budget?
 - d. What type of deed will be issued and who will prepare it? Will this require outside counsel or professional services? Identify funding source.
 - e. Is a split or merge required or desired? If so, should it be a condition of sale? What are the advantages and are there local zoning considerations?
 - f. Projected financial impact. Look at profit/loss from all costs related to the sale as well as future tax revenue.

3. **Sell at Auction** – if it is deemed appropriate to declare the property surplus and as having no current or anticipated county use and there is no one specific interested party or neighboring property owner that would benefit from the purchase of the property, then the county may opt to include the parcel in the next annual auction of tax foreclosed real property. This option may also be exercised when there are multiple interested parties and the county would like to utilize the competitive bid process to dispose of it. This option assumes that the property may be sold or leased only to the highest responsible bidder after public advertisement.
 - a. Should a minimum bid be set at auction?
 - b. Will the same administrative fees apply that are included in the sale of tax foreclosed properties?
 - c. Are there any special circumstances requiring a survey, appraisal or new deed description to be prepared?
 - d. Projected financial impact. Look at profit/loss from all costs related to the sale as well as future tax revenue.

4. **Environmental Review** – if it is determined that there is a potential environmental concern that would preclude the county from disposing of the property to a new owner or using it for county use without potential liability, then this should be identified before one of the other options listed above are pursued.

FINANCIAL IMPACT & CONSIDERATIONS

All recommended outcomes shall include a financial impact component which considers:

1. **Expenses:** potential or anticipated costs of surveys, deeds, appraisals, environmental review, environmental cleanup, capital construction, demolition, county clerk recording / filing fees, other professional services related to the sale or proposed use.
2. **Revenues:** anticipated estimated revenue that could result from one time and/or recurring revenue. For example, proceeds from the sale of property, recurring revenue from returning it to the taxable section of the assessment roll, as well as proceeds from activities like logging.
3. **Budget source:** if county revenues or expenses are to be realized, appropriate budget lines should be identified.

REQUESTS FROM INTERESTED PARTIES

To standardize the review process for requests to purchase county-owned property, all interested parties that contact the county regarding such a request shall be directed to the Director of Real Property Tax Services who shall provide a request to purchase form that contains the following information:

1. Name, address, phone number and any other relevant contact information about the interested party
2. Parcel identification information: SWIS, tax map number, municipality, property location
3. Reason for the request
4. Indication of interest in the entire parcel or just a portion of it along with intentions to split or merge
5. Proposed purchase amount

The county shall impose a fee of \$100.00 to accept and review the application. Once the application is received, the County Legislator representing the district where the parcel resides will be notified of the request and the County-Owned Real Property Committee shall meet to follow the above outlined review process and make a recommendation to the Legislature. The application fee shall be refunded to the interested party if the request to purchase is denied by the Legislature. If the request to purchase is approved, the application fee shall be used to reduce the balance due to execute the sale based on the mutually agreed upon terms of said sale.

LEGISLATIVE COMMITTEE PROCESS

All recommendations resulting from the County-Owned Real Property Committee review process shall be presented to the Public Works Committee of County Legislature for consideration. Only the Cayuga County Legislature shall authorize the sale or disposition of surplus property. Proceed monies from the sale or disposition of surplus real property, whether from public auction or private sale, shall be handled in accordance with NYS laws, rules and regulations; and shall be deposited with the County Treasurer into the General Fund (specific account to be identified), unless otherwise directed by the County Legislature by resolution.