



City of Grand Island

Tuesday, August 19, 2008

Council Session

Item F1

**Ordinance # 9178 - Sale of Lot 8, Platte Valley Industrial Park
Third Subdivision**

Staff Contact: Wesley Nespor; Gary Mader

Council Agenda Memo

From: Wesley Nespor, Asst. City Attorney/Purchasing
Gary R. Mader, Utilities Director

Meeting: August 19, 2008

Subject: Sale of Lot 8, Platte Valley Industrial Park Third
Subdivision

Item #'s: F-1

Presenter(s): Gary R. Mader, Utilities Director

Background

The Platte Valley Industrial Park original purchase was done by the Electric Department in 1984. That property consisted of 147 acres which was subsequently platted and developed with full municipal infrastructure into industrial development lots. Since that initial acquisition, the Grand Island Area Economic Development Corporation (EDC) has acquired additional properties adjacent to the original development and has expanded the park to include most of a half section. The Electric Department still has two unsold lots. A map of the park is attached for reference.

Discussion

The EDC is interested in purchasing one of the remaining unsold lots in the City owned portion of the Industrial Park; 4811 Gold Core Drive – Lot #8, Platte Valley Industrial Park Third Subdivision – 4.66 acres. A copy of the previous correspondence and the written offer are attached. Lot #8 is immediately adjacent to the Industrial Park property owned by the EDC. EDC has found a party interested in purchasing a portion (approximately three acres) of the City owned lot. The balance of that lot, approximately 1.66 acres, is proposed to be added to the EDC owned Lot #7 which is immediately north of the City owned lot, and upon which the EDC has constructed a spec building. The purchase would accomplish the sale of another City owned lot and would allow for increased truck turning clearance on the south end of the EDC spec building. EDC proposed to re-plat the two lots, adding area to their Lot #7 and reducing the size of Lot #8 to the three acre size required by the development prospect.

The current asking price for Industrial Park property is \$32,000 per acre, with a \$2,000 per acre discount for the landscaping requirements included in the covenants and zoning of the area, resulting in a net asking price of \$30,000. Lot #8 has remained unsold since the property was first acquired over twenty years ago, and there are not any other offers pending at the current time. EDC has made an offer to purchase. As a part of the offer, EDC accepts all costs associated with re-platting Lots #7 and #8 to accomplish the desired modified configuration. EDC also points out that they have been instrumental in accomplishing the sale of City owned land in the past, which has eliminated the payment of brokerage commissions by the City. And there would be no brokerage commissions for this proposed sale. Therefore, EDC's offer is at a discounted price of \$27,000 per acre. The total purchase price would be \$125,820.

An ordinance has been prepared to accomplish the sale in accordance with legal requirements for transfer of City owned property. A copy of the ordinance is attached.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

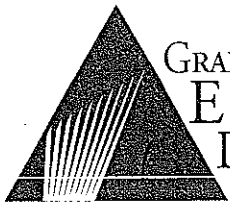
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the sale of Lot #8, Platte Valley Industrial Park Third Subdivision to the Grand Island Area Economic Development Corporation for the price of \$125,820.

Sample Motion

Make a motion to approve the ordinance for sale of Lot #8, Platte Valley Industrial Park Third Subdivision.



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

308-381-7500 • 800-658-4283 • Fax 308-398-7205 • www.grandisland.org

P.O. Box 1151

GRAND ISLAND, NE 68802-1151

July 9, 2008

Jeff Pederson
City Administrator
City of Grand Island
PO Box 1968
Grand Island NE 68802-1968

Dear Jeff:

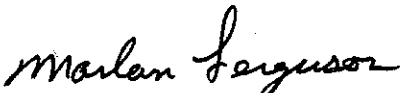
This is an official offer to purchase Lot # 8 at the Platte Valley Industrial Park. This particular lot is currently owned by the City of Grand Island Utilities Department. The address of the lot is 4811 Gold Core Drive.

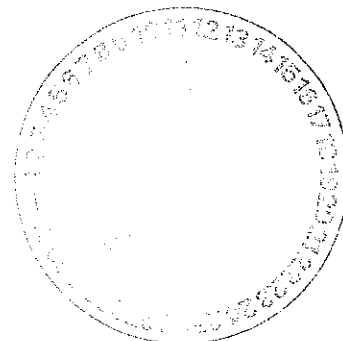
As we have discussed, we have a party interested in three acres and the EDC would use the balance of the acres, approximately 1.5 acres, and incorporate those acres to Lot # 7 which is the location of our spec. building. It is my understanding that this subdivision change can be completed by an administrative decision.

Our offer is \$27,000 per acre with no landscape allowance. We would intend to sale to the third party the property at the same price plus surveying and other miscellaneous expenses.

Let me know if this is acceptable and how we should proceed from here.

Sincerely,


Marlan Ferguson
President



April 15, 2008

Jeff Petersen, City Administrator
100 East First St.
Box 1968
Grand Island, Ne. 68802

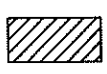
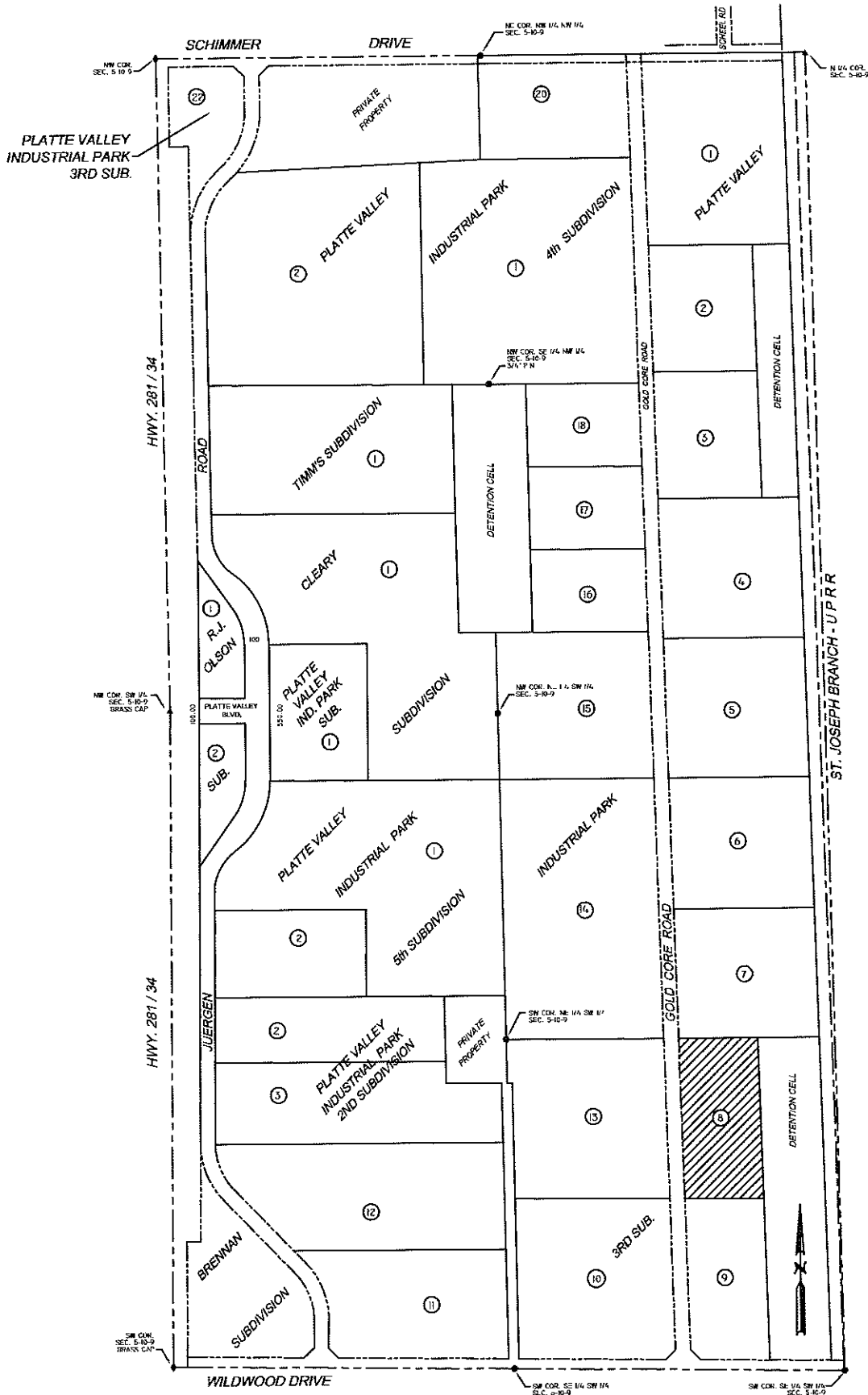
Dear Jeff

As you are aware we have been discussing a land exchange or purchase with Gary Mader and the Utilities Department. The initial discussion was to provide land currently owned by the EDC to the City Utilities Department for an electrical substation. During that discussion we talked about the idea of trading that land for Lot # 8 at the Platte Valley Industrial Park, which is owned by the Utilities Department. Since then we have found a party interested in purchasing a portion (approximately 3 acres) of the Lot # 8. The balance of that lot (approximately 1.9 acres) would transfer to the EDC owned lot # 7, which is the location of our spec building. This does two things; it gets lot # 8 sold and increases the truck turning lane on the south end of the spec building. I now understand the Utilities Department may use their own property for the substation, however we are still interested in acquiring the property for the use described above.

We currently have our lots and the City's lots listed at \$32,000 per acre with a \$2,000 rebate for landscaping requirements. The EDC has taken a position to negotiate that price with potential purchasers. We have sold three lots at a reduced rate and currently have a proposed option agreement with a 5% discount. Given this and the fact that the EDC was instrumental in selling Lot # 11 for the City and now have a potential purchaser for lot # 8, which eliminates the brokerage commission, we would ask for a discounted rate on the lot.

I would like to discuss this with you in more detail at your earliest convenience. Thanks.

Marlan Ferguson
President, GIAEDC



INDICATES LOT 8
 PLATTE VALLEY INDUSTRIAL
 PARK 3RD SUBDIVISION

ORDINANCE NO. 9178

An ordinance directing and authorizing the sale of real estate to Grand Island Area Economic Development Corporation; providing for the giving of notice of such conveyance and the terms thereof; providing for the right to file a remonstrance against such conveyance; providing for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. The City of Grand Island, Nebraska, will convey to Grand Island Area Economic Development Corporation a tract of land legally described as:

Lot Eight (8) Platte Valley Industrial Park Third Subdivision to the City of Grand Island, Hall County, Nebraska

SECTION 2. In consideration for such conveyance the purchaser shall pay the City the sum of One Hundred Twenty-Five Thousand Eight Hundred Twenty and No/100 Dollars (\$125,820.00). The buyer will be responsible for the costs of recording the deed and one half the cost of a title insurance owner's policy and all the cost of any lender's policy. Conveyance of the real estate above described shall be by warranty deed, upon payment of the consideration pursuant to the terms and conditions of an Agreement for Warranty Deed between the parties.

SECTION 3. As provided by law, notice of such conveyance and the terms thereof shall be published for three consecutive weeks in the *Grand Island Independent*, a newspaper published for general circulation in the City of Grand Island. Immediately after the passage and publication of this ordinance, the City Clerk is hereby directed and instructed to prepare and publish said notice.

ORDINANCE NO. (Cont.)

SECTION 4. Authority is hereby granted to the electors of the City of Grand Island to file a remonstrance against the conveyance of such within described real estate; and if a remonstrance against such conveyance signed by registered voters of the City of Grand Island equal in number to thirty percent of the registered voters of the City of Grand Island voting at the last regular municipal election held in such City be filed with the City Council within thirty days of passage and publication of such ordinance, said property shall not then, nor within one year thereafter, be conveyed.

SECTION 5. The conveyance of said real estate is hereby authorized, directed and confirmed; and if no remonstrance be filed against such conveyance, the Mayor shall make, execute and deliver to Grand Island Area Economic Development Corporation a warranty deed for said real estate, and the execution of such deed is hereby authorized without further action on behalf of the City Council.

SECTION 6. This ordinance shall be in force and take effect from and after its passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

Enacted: _____, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk