
MEMORANDUM



TO: Mayor Walker and Councilors
FROM: Stacy Marquardt, Community Development Planner
SUBJECT: **Hiring of Realtor to Market City Properties**
DATE: April 19, 2023

Background:

On April 13th, 2023 the City Council recommended the City hire Maria Solberg to market city owned properties that we are putting up for sale. Maria assisted the City with researching the parcels to find comparables and assisted with coming up with a price for each parcel. Attached is a copy of listing contract, seller disclosure alternative, arbitration form, the agency representation disclosure required by the state of MN and the land disclosure forms.

Each listing will have its own contract. Typically, on land listings they do a 12-month contract. (they typically take longer to sell) but Maria stated she is flexible here if the Council would like a shorter or longer contract period. Each property contract will be a 6% brokerage fee. The breakdown is 3.3% listing broker and 2.7% to buyer broker.

The parcels we would be working with are as follows, note we removed the parking lots for now as they will take some additional research and correspondence with adjacent owners:

PID 24-320-0380 – This parcel was acquired for the fire station in 1999 but is no longer needed. It is .19 acres and is zoned to allow for one home on it. It cannot be subdivided.

Realtor Comments: I believe a builder would be interested in this lot to build a small spec home. I suppose it is possible that the apartment building to the north may have interest to expand their parking lot possibly? Regarding value based on a sold comp my number is \$35,000 approximately on this one. (The sale is a few years old but the only one I could find)

PID 24-080-0030 – This is a pie shaped parcel along the Rum River. It is in the Floodplain so there will be some hoops to jump through if purchased. It is zoned for a single-family home on it but it would take a lot of fill and the applicant would need to work with us, DNR, and FEMA on how that would look or if it is even possible. It might be more suited to sell to a neighbor. There is city sewer and water near the site to hook into. It is .57 acres.

Realtor Comments: Regarding the river lot in the flood zone. There are a few listings. 2 active, 1 pending. There are no sold comparable properties. Again, when there are no comparable properties it's really just an opinion and ultimately the only opinion that matters are the buyers. Listing it at a number that intrigues the buyers is the goal. With this lot, due to the flood plain, possible backfill needed, and water sewer hookup costs my thought on this one is \$40,000, Flood zone is the biggest concern here, I feel like it could take a while to sell.

PID's 90-407-0320 and 90-407-0325 – These parcels are in Sherburne County and a combination was submitted to the County so we can sell as one parcel. It is 1.7 acres. It is zoned Industrial.

Realtor Comments: I have a few items regarding this Industrial lot. Pathfinder purchased a property with in close proximity to these Industrial pieces combined and there is a listing for an acre commercial lot nearby. This is the only competitive listing I could find. Pathfinder bought that off market two 8 acre parcels up the street but it's not comparable considering the lot size and the ponds in the middle of the lots. Because of the wastelands in the back of this lot the assessor has a tax base value of \$21,600. My thought regarding price on this combined piece is \$150,000 plus. Unfortunately, with no solid sold comparable properties. We look at what is competing, with that being said I feel this lot competes well with the only current lot I see listed at \$149,000.

Recommendation:

Staff's recommendation is to hire Maria Solberg to market the City Owned Properties discussed and allow the City to sign the listing contract to move forward with getting the properties on the market.