EXCESS PROPERTY EVALUATION AND DISPOSITION PROCESS

Dakota County has previously acquired property, often in association with transportation or other capital projects even though only portions of the property were needed to complete the project for providing design/construction options or for financial considerations. These unused portions or "excess" properties may or may not serve a current or future public purpose.

This document describes the proposed process for evaluating and potentially disposing of excess County properties. A final draft will likely be present for future County Board review and approval.

Inventory Potential Excess County Property

A. Develop an "Excess Property" definition.
B. Create standard "Excess Property" form.
C. Work with various County department staff to identify potential "Excess Properties."
D. Develop a file system and database format for potential "Excess Properties" which would include the following information:
   (PIN, address, legal description, aerial photo, site photos, original purpose for acquisition, and funding source)
   1. Conduct a site visit site and take photos, if applicable.

Property Background

A. Title Specialist completes title search for property.
B. Review half-section maps and OnBase to determine if property was acquired for a Transportation project.
   1. If "yes," obtain the parcel file(s) and search for any document conveying property interests to the County.
   2. If "no," search for conveyance documents using RecordEASE.
C. Determine County's original need for acquiring the property and what method was used i.e. direct sale, condemnation, open market, etc.
D. Identify the funding source used for the original acquisition as this may determine how proceeds from a potential sale might need to be disbursed. Also include identification of any associated restrictions and conditions that need to be disclosed, removed or satisfied as part of the sale e.g. permission from federal, state, Metropolitan Council, etc.

Internal Staff Review

A. Add the property to upcoming Plat Commission Meeting agenda for review to determine if there are any concerns, comments, etc. regarding the potential disposal of the property.
B. Contact Facilities, Construction, Operations, Planning, Permits, Environmental Resources, and Parks to determine if the property is needed for any reason.
   1. Consider retaining easements, if needed, prior to disposition.
C. Based on comments, create a proposed draft configuration of property determined to be considered "excess."
   1. If a parcel will require subdivision to legally establish the excess property for disposition, contact the respective city or township to determine subdivision approval process and schedule.

External Staff Review

A. Contact the Community Development Agency and city or township where the property is located to determine if the property is needed for any reason or if there are concerns about possible sale.

Survey and Legal Description

A. Survey Office completes a boundary survey and prepares a survey with legal descriptions.
B. Gopher State is contacted to identify any/all utilities.

Valuation

A. Review the Assessed Value for the entire parcel.
B. Contact the County Assessor's Office provide a value range for the entire parcel or for the portion of the property determined to be "excess."
   1. Per state statute, property cannot be sold for less than ninety (90) percent of its assessed value.
C. For higher value properties, an independent appraiser will be contracted to determine fair market value.
D. REO Manager will determine proposed value for minimum bid for County Board consideration based on an independent appraisal, estimated market value (EMV), comparative market analysis (CMA), outside brokerage firm, or some other valuation methodology.

County Board Approval (required to dispose of any County property)

A. If parcel was acquired for a Transportation project and was included in a Joint Powers Agreement (JPA) with a city, review to determine if there is any language referencing disposal of remnant property, if any. If there is a JPA with acceptable language, review with CAO to determine if this could be used in lieu of new County Board approval.

B. If the parcel was not acquired for a Transportation project or if the JPA does not address the remnant property, search OnBase for any previous Board Resolution pertaining to the project or acquisition.
C. If no previous County Board resolution exists, a Request for Board Action (RBA) would be developed for County Board consideration.
   1. Once a proposed minimum bid is determined, staff will come to the County Board at PDC seeking authorization to sell the property to an external agency or via auction with the minimum bid requirement.
   2. The County Board may recess to a Closed Session to review confidential or protected nonpublic appraisal data or determine the asking price for the property.
   3. If the Board provides support at PDC, the item will be placed on the consent agenda of the next County Board Meeting.
   4. Once Board Resolution passes, staff will work with external agencies on purchase agreements or if it's going to bid, a public notice will be published in the local paper advertising the time and place of the land auction.

Right of First Refusal

A. If the property was purchased after 2006, and acquired via eminent domain, the previous owner may have the right of first refusal under state Statute chapter 117. Consult with the CAO to make this determination. Note: The right of first refusal is often waived as a condition of the purchase agreement.
B. If right of first refusal exists:
   1. If the former owner can be located, the offer must be at the original price determined by either the condemnation process or the current fair market value of the property, whichever is less.
   2. If the former owner cannot be located after a due diligent search or declines to repurchase the property, the attorney for the condemning authority shall prepare a certificate attesting to the same and record the certificate in the office of the County Recorder or Registrar of Titles, as appropriate, to evidence the termination of the right of first refusal.

Buyer Considerations

A. If the buyer is an adjoining property owner, the excess property can be sold directly to that owner without bidding provided that the County has:
   1. Determined that the proposed sale parcel is an uneconomic remnant, and
   2. Determined to forego public bidding of an uneconomic remnant and limit the sale to adjoining owner(s).
B. If the buyer is not an adjoining property owner, the excess property must be sold via auction process.

Bidding Process

A. Draft the bid specifications and publish a public notice in the official newspaper.
B. The property cannot be sold without first advertising for bids or proposals in the official newspaper of the County for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located.
C. All adjoining property owners must be notified of the proposed sale.
D. Auction will be held in person at the designated County office location listed in the public notice.

Closing

A. All excess County properties are sold via a quit claim deed. This deed must be prepared by the CAO and signed by the County Board Chair and Clerk.
B. Prepare all documents as outlined in the bid proposal form (typically a Foreign Investment in Real Property Tax Act (FIRPTA), including a well disclosure certificate, if applicable).
C. Buyer must submit an e-Certificate of Real Estate Value (eCRV) before the deed can be recorded. Only eCRV's are allowed and are submitted online to the Minnesota Department of Revenue.

Deposit of Funds

A. Will work with Finance to determine where sale proceeds should be deposited.