

Memorandum

Community & Economic Development Department



To: Thomas E. Thomas, City Manager
Subject: Declaration of Surplus property, Hauberg Center & Properties
Date: January 14, 2016

The Hauberg Center and properties were donated to the City in 1957 and have been overseen and maintained by the City Parks and Recreation Department since that time. Unfortunately, the usage by the general public of the properties has drastically diminished over the years and the expense has increased. It was recently estimated by Parks staff that general maintenance to the Hauberg buildings and properties costs the City approximately \$40,000.00 per year and Capital Refurbishment projects would be double or more every year.

At the December 7, 2015 study session of City Council, the Parks and Recreation department consultant released his findings of the park properties in Rock Island. In his opinion, the Parks & Recreation department loses money annually because they are trying to maintain properties initially created for a population of 50,000 residents. With current residency under 40,000 his final recommendation to Council based on current upkeep and maintenance expenses is for the City to divest itself of some park properties so that proper maintenance on the remaining properties can be done.

The City of Rock Island has been approached by a business interested in purchasing, rehabilitating and refurbishing the Hauberg Center and grounds. This business will stipulate that in addition to making it their operation center, they will continue the history of allowing residents and visitors alike to continue enjoying the properties as was initially intended.

After considering the City's policies regarding disposition of publicly owned property and state statutes, it would be a best practice to have the property declared surplus property by city council and pass a Resolution to be published in the paper for three consecutive weeks. The published resolution will outline the requirements for an interested party to submit a bid to purchase the property.

All sealed bids must be returned to the Community and Economic Development Department by noon on February 10, 2016. Bids received will be opened at the following City Council meeting on Monday, February 15, 2016, and will be referred to staff for review. Proposals that meet the criteria will be presented for consideration and voted on by the City Council at the February 22, 2016, meeting. A proposal will be accepted upon a vote of three-fourths of all the Council members. A copy of the Resolution is provided for review and consideration.

Recommendation:

Therefore, based on commercial interest in the properties and existing property disposition policies, CED staff recommends that City Council declare the Hauberg Center and properties to be surplus real estate, pass a resolution for the sale of the three parcels; 1300 24th Street, 1326 24th Street, 1352 24th Street and a portion of 1506 24th Street and direct staff to publish the properties for sale by sealed bid in the newspaper.

Submitted by: Jeffery A. Eder, CED Director/Asst. City Manager
Bret Gardella, Economic Development Manager

Approved by: Thomas Thomas, City Manager

RESOLUTION NO. _____

PROVIDING FOR THE SALE OF CERTAIN REAL ESTATE OWNED BY THE CITY OF ROCK ISLAND, ILLINOIS

WHEREAS, title to the following described surplus real estate owned by the City of Rock Island, Illinois, is no longer necessary, appropriate, required for the use, profitable to, or for the best interests of the City of Rock Island, Illinois;

Three (3) parcels known as 09-177 and 09-178, commonly known as 1300 – 24th Street, however, recently re-addressed by the Chief Building Official as 1300 – 24th Street, 1326 – 24th Street, and 1352 – 24th Street, and a part of parcel 09-179-2, commonly known as 1506 – 24th Street, all in the City of Rock Island, Illinois; and

WHEREAS, the properties total approximately ten (10) acres and are currently zoned R-3 (one and two family residence); and

WHEREAS, the aforementioned real estate shall be sold after the taking of bids in conformity with applicable Illinois Law. Said bidder, along with submitting the purchase price bid, will be subject to the following:

It is required that the existing buildings and grounds shall remain and shall be rehabilitated by the purchaser in a manner acceptable to the City of Rock Island. There shall be no fundamental alterations allowed to the exteriors of any buildings that are not applicable to the appropriate time-period of the buildings. This work will be expected to be done in a timely manner which will be negotiated with the buyer. Additionally, should the buyer wish to build any other structure(s) on the property, the esthetics of that structure will have to be architecturally accurate to the time period of the property. Purchaser shall agree that the property will remain an attraction for residents and visitors. Lastly, the City shall have the first right of refusal to purchase the property back should the buyer ever desire to sell. These restrictions will be placed on the deed for any purchaser.

Items to be Included in the Bid:

- 1) A written statement describing the proposed use of the property.
- 2) Drawings of any proposed new structure to be built on the property.
- 3) Any new structure(s) must be architecturally accurate to the time period of the property.
- 4) Acknowledgement that all applicable building and zoning guidelines will be followed.
- 5) A written description of expected rehabilitation to the existing buildings and grounds including a time frame within which the work is to be completed.
- 6) The monetary offer for the property including relevant financing to complete the purchase.

WHEREAS, all bids must be sealed bids delivered to the office of the Community and Economic Development Department, Second Floor, City Hall, 1528 Third Avenue, Rock Island, Illinois, not later than 12:00 Noon, Wednesday, February 10, 2016. All bids will be opened at the regular meeting of City Council on Monday, February 15, 2016. A bid shall be accepted only upon a vote of two-thirds of all the Council members at the following City Council meeting on Monday, February 22, 2016. The City of Rock Island reserves the right to reject any or all bids by a majority vote of all the Council members.

MAYOR OF THE CITY OF ROCK ISLAND

PASSED: _____

APPROVED: _____

ATTEST: _____

CITY CLERK