



Item: Sale of City-Owned Property, Parcel #847435, located at 1100 15th Street North, and more legally described as Lot 2, Amended Plat of 15th Street Bridge Addition

From: Ross Bartell, Sanitation Supervisor

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Set a Public Hearing for June 17, 2014, to consider the sale of City-Owned Property

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (set/not set) a public hearing to consider the sale of City-Owned property at 1100 15th Street North for June 17, 2014.”

2. Mayor calls for a second, discussion, public comment, and calls for the vote.

Staff Recommendation: Staff recommends that the City Commission set a public hearing to consider the sale of City-Owned property at 1100 15th Street North for June 17, 2014.

Background: The property for sale consists of 2.152 acres located at 1100 15th Street North. The main building built in 1973 is a pre-engineered “Armco” steel structure developed on concrete footing and foundation. It originally was built to house a pulverizer plant operation and associated equipment. This operation was short lived. On May 1, 1984, the City sold Lot 1 of the 15th Street Bridge Addition to Admiral Beverage for \$210,484.50. The original platting included a cul-de-sac access from 15th Street. The original plat was amended in 2008 when the cul-de-sac was eliminated. The amended plat increased the size of the City parcel to 2.152 acres and the Admiral Beverage parcel to 4.195 acres. The pulverizer equipment was removed as salvage in 2002. The property operated as a Citizen’s Convenience Center for recycling and trash disposal from 1992 until August 2012, when the facility was closed. The building has storage/work space, offices, a customer service area, small kitchen/break area, and a bathroom with shower. This total gross building area is 12,960 sf. There is also a container storage area made of masonry block that includes a hoist. This building was originally used as a shop area and is 60 to 65 years old. This total gross building area is 3,000 sf.

The former City Recycling Center property was recently appraised by McKay Rowen Associates. The Summary Appraisal Report dated January 27, 2014, estimates the market value of the property within a range of \$400,000 - \$500,000. The property has been offered for lease four times with only one offer that was not acceptable to the City at the time of \$30,000 annually. There have been no formal offers to purchase the property since it was first made available in 2012.

If the City Commission sets the public hearing, notice of the public hearing will run in the *Great Falls Tribune* on June 1, 2014, and public comment will be taken at the public hearing on June 17, 2014.

Purpose

Staff proposes that the sale of City-owned property parcel #847435 described as Lot 2, Amended Plat of 15th Street Bridge Addition, to the City of Great Falls, a Tract of Land Situated in Government Lot 5, Section 6, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana, filed with the Office of the Cascade County Clerk and Recorder as P – 2008 – 0000019 PL on 06/03/2008, be sold as is. The property has been vacant since 2012. This sale would put this vacant area of City-owned property back into a productive use and add to the City tax base.

Evaluation and Selection Process

The specifications were advertised one time in the *Great Falls Tribune*, placed on the City of Great Falls' website, and mailed to eleven prospective bidders, with a minimum bid amount set at \$400,000. Two bids were received and opened on May 7, 2014:

Mark Macek – Macek Companies, Inc. submitted a bid on behalf of Kent Reimer, KK&B Partnership, d/b/a Midway Rental, Inc., in the amount of \$435,000, with contingencies: 1) The Seller shall rezone the property from M-2 Mixed Use Transitional Zoning to I-1 Light Industrial Zoning; 2) The Seller shall provide and the Buyer shall approve a Phase I Environmental Report/Study of the property showing that there is no likely environmental contamination of the property. This is proposed as a method to reduce future environmental liability for both the Seller and the Buyer; 3) The Seller shall provide and the Buyer shall approve a Purchase and Sale Agreement for the property within fifteen (15) days of notice of award of the RFP; 4) the Seller shall provide and the Buyer shall approve any and all studies and/or reports performed on the property within ten (10) days of the notice of award of the RFP; and 5) If any or all of the above items are not satisfied the ten percent (10%) bid security deposit shall be returned to the Buyer.

Mike Mitchell, Collision Repair & Service Headquarters, d/b/a Mitchell's Crash Repair, submitted a bid in the amount of \$401,000.

Subsequent to the bid opening, Mark Macek followed-up and clarified that the Purchaser would participate in the requested zoning change process with the City as co-applicant.

The costs associated with obtaining a Phase I Environmental Report/Study are estimated to be \$3,500.

Conclusion

As required by Title 3, Chapter 4 of the Official Code of the City of Great Falls, before final consideration of a sale of City property, the City Commission shall hold a public hearing.

Fiscal Impact: The sale of property would provide a one-time cash benefit to the City Sanitation Fund.

Alternatives: The City Commission could choose to deny setting a public hearing.

CITY PROPERTY SALE BID LIST

1100 15TH STREET NORTH

Big Game Taxidermy
Randy Suden
#15 Banjo Hill Lane
Great Falls, MT 59404

Grubb & Ellis
Scott Blumfield
625 Central Ave. W. #206
Great Falls, MT 59404

Ironhide LLC
330 18th St. S.W.
Great Falls, MT 59404

Keller-Williams Realty
Sharon Virgin
1323 9th Ave. S.
Great Falls, MT 59405

Lumberyard Supply
1300 River Drive North
Great Falls, MT 59401

Macek Property
Management
104 2nd St. S. Ste 100
Great Falls, MT 59401

Midway Rental
1526 River Dr. N.
Great Falls, MT 59401

Montana Waste Systems
3201 15th Street N.E.
Black Eagle, MT 59414

Noel, Leah
733 34th Ave. N.E.
Great Falls, MT 59404

Pepsi
1212 15th Street North
Great Falls, MT 59401

Ryan Wood
PO Box 294
Geraldine, MT 59446

CITY OF GREAT FALLS
PO BOX 5021
GREAT FALLS MT 59403

CITY OF GREAT FALLS CITY-OWNED PROPERTY SALE

Project Number
Bids Taken at Civic Center
Date: May 7, 2014
Tabulated By: Lisa Kunz
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NAME & ADDRESS OF BIDDER	BID SECURITY	AFFIDAVIT OF NON- COLLUSION	BID FOR SALE OF PARCEL #847435 MINIMUM OF \$400,000
Mark Macek – Macek Companies, Inc. on behalf of Kent Reimer KK&B Partnership d/b/a Midway Rental, Inc. P.O. Box 5450 Kalispell, MT 59903	Cashier's Check \$43,500	√	\$435,000 *with contingencies
Mike Mitchell Collision Repair & Service Headquarters d/b/a Mitchell's Crash Repair 1021 15th Street North Great Falls, MT 59401	Cashier's Check \$40,100	√	\$401,000