



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: February 7, 2022

Re: Contract for the Sale of City-owned Real Estate (Case #76-2022)

Executive Summary

Approval of this request would authorize the City Manager to execute a Contract for Sale of a portion of City-owned real estate as a “direct sale” to the adjoining property owner Mr. Ahmad. The subject property to be sold is located north of Ria Street and west of Ballenger Lane. Approval of the “direct sale” contract would also obligate the buyer (Mr. Ahmad) to proceed with initiating the subdivision of City-owned property on the City’s behalf.

Discussion

The Law Firm of Haden and Colbert, on behalf of Mr. Zafar Ahmad, is requesting that Council authorize the City Manager to execute a Contract for Sale of Real Estate. The proposed sale between Mr. Ahmad and the City is for property generally located north of Ria Street and west of Ballenger Lane (shown in blue and labeled as Tract 1 on Exhibit A).

The City’s Planning Division conducted a concept meeting in 2017 that included property owned by Mr. Ahmad (red area on Exhibit A) located at the northwest corner of Ballenger Lane and Ria Street. The request from Mr. Ahmad was to subdivide his property (Lots 18-21 of *Mataora, Plat No. 2*) to create several new R-2 (Two-family dwelling) zoned residential lots. In addition, Mr. Ahmad inquired as to the possibility of purchasing City property that was immediately adjacent to the east that could be included in the proposed subdivision. Mr. Ahmad presented two layouts at the meeting (attached) that illustrated how his and the City’s property could be combined into a new subdivision. Conversations on the transfer continued after the concept meeting, but were delayed most recently due to the ongoing COVID pandemic.

The area that Mr. Ahmad would like to purchase includes two distinct properties that the City controls. The first property is a portion of Lot 1 of the final plat of *Columbia Fire Station No. 5*, which is owned by the City and includes Fire Station #5. The area of this lot under consideration for sale is the part of Lot 1 north of Ria Street (it should be noted that the City’s plat did not dedicate the ROW for Ria Street, and so it is not reflected on the plat).

The second property is land that was previously owned by MoDOT. Prior to its relocation to the east of Fire Station #5, Highway PP was located on this property, and it still includes remnants of street pavement. After the highway (now Ballenger Lane) was relocated by MoDOT from the west side of the fire station to the east side, MoDOT relinquished the property where the highway had been located to the City.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Mr. Ahmad is interested in directly acquiring the City-owned property generally located east of his property, north of Ria Street, and west of Ballenger Ln (shown in blue and labeled as Tract 1 on Exhibit A). In order for the property to be sold/transferred directly to Mr. Ahmad, the sale must be consistent with city ordinance requirements. Per Section 2-515(b) "*Sale, trade, or lease of real property*" of the City Code (see attached), the City may sell property without competitive bids in only one of the following circumstances:

- (1) To any person to whom the property has a unique or enhanced value because of its accessibility, configuration, location, size or use;
- (2) To any adjacent property owner at fair market value as determined by an appraisal;
- (3) When use of the property is limited to public purposes specified by the council;
- (4) When the sale, trade or lease is part of a settlement in a condemnation proceeding; and
- (5) When the council determines that it is in the public interest to sell, trade or lease the property to a particular person.

Staff believes that the proposed request meets condition (2), as Mr. Ahmad is an adjacent property owner, and has agreed to purchase the property at the appraised price of \$61,000. The request may also meet condition (1) due to the enhanced value of the property to Mr. Ahmad, which when combined with his current property, would provide the area necessary to construct the subdivision with street extension as reflected in the draft layouts.

The Public Works and the Fire Departments do not object to the sale of the property in question. The area of Lot 1 north of Ria Street is not currently being used by the Fire Department, but is still being maintained. The property that was previously Hwy PP is not currently being used for any specific purpose either, and it currently includes pavement that terminates north of Ria Street.

As mentioned, an appraisal of the property has been conducted, which puts the value of the property at \$61,000. Public Works proposes to place the proceeds of the sale into an account that may be used to construct public sidewalks along the east side of the fire station lot, along Ballenger Lane.

In order to facilitate the sale of the property, it must be considered a legal lot, which requires that the property be properly subdivided prior to the sale. The subdivision would create two lots – one lot north of Ria Street that would be purchased by Mr. Ahmad, and the other lot that would include all property south of Ria Street (green area, Exhibit A). Mr. Ahmad has agreed to cover the engineering and application costs of subdividing the City's property, which includes both the existing Lot 1 and the Hwy PP property that was relinquished to the City by MoDOT. Once the City's subdivision has been approved by Council, the sale of a portion of the property (blue area) to Mr. Ahmad could then proceed.

Mr. Ahmad has also worked with an engineer to develop two conceptual layouts, which were previously reviewed by staff at a concept meeting, and have been included with this report. Layout #1 includes the construction of a through street from the current terminus of



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Nick Court to Ria Street. Layout #2 includes the extension of a cul-de-sac that would likely require a design adjustment for the length of the cul-de-sac. The proposed subdivisions would still require review by staff to ensure consistency with the Unified Development Code.

If Council authorizes the City Manager to execute the contract for sale, Mr. Ahmad has indicated he will proceed with submitting the application for the subdivision of the City's property, which includes payment of all costs associated with the application, and upon Council approval of the subdivision, the sale of the property may then close. Once the property is owned by Mr. Ahmad, he may proceed with the application for his proposed new residential subdivision.

A location graphic (Exhibit A), contract for sale of real estate, Section 2-515 of the City Code, proposed subdivision layouts, and applicant correspondence are attached.

Fiscal Impact

Short-Term Impact: Proceeds from sale of property.

Long-Term Impact: None.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Reliable Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
04/19/10	Accepted portions of Highway PP for ownership from MoDOT (Ord. 20600)

Suggested Council Action

If Council finds that this request is consistent with the provisions of Section 2-515 of the City Code, authorize the City Manager to execute a Contract for Sale of Real Estate, and all other documents relating to the sale of property.