COUNCIL COMMUNICATION

From: The City Manager

Subject: Sale of 3800 East St.

Manager's Recommendation:

I recommend that the agreement with Mr. Ralph Leach or his designee be approved and that the City Manager or his designee be authorized to execute the agreement, the deed and all documents related to the purchase of 3800 East St. This agreement is subject to approval by the City Manager as to substance and the City Attorney as to form.

Justification:

The Department of Development has negotiated the sale of 3800 East St., a 63.85 acre parcel of agricultural property located in the southeast side of the City. Mr. Leach has leased this farm property from the City of Saginaw for many years. It is located in the 100 year floodplain and is zoned R1-A (Agricultural Residential District). The property has become less valuable as farmland because the drainage ditches have not been maintained. In order to effectively farm this land, it must be tilled at a cost exceeding $20,000. Mr. Leach is reluctant to make this investment unless he owns the property. The property has a State Equalized Value (SEV) of $42,298.00 or true cash value of $84,596.00. Mr. Leach has offered to purchase the property for $85,000.00. The City of Saginaw Department of Development has reviewed this request to purchase the property, and because the City has no short or long term plans for it, the department recommends its sale. Competitive bidding was sought in the case, and Mr. Leach was the only bidder.

Council Action:

Council ____ _____ moved that the recommendation from the City Manager be approved.