

**CITY OF OTTUMWA**  
**POLICY NO. 42-2004**  
***FOURTH AMENDED POLICY FOR DISPOSITION OF CITY OWNED PROPERTIES***

**STATEMENT OF INTENT:**

From time to time, the City of Ottumwa acquires derelict and/or placarded houses and vacant lots. The derelict/placarded houses are acquired when owners no longer maintain or repair the houses. Vacant lots are acquired as a result of demolition of derelict houses by the City.

**I. DERELICT/PLACARDED HOUSE PROCEDURES**

Derelict/placarded houses will be offered for sale through a sealed bid process for the purpose of repairing the property for eventual occupancy. Derelict/placarded houses will be advertised in the Ottumwa Courier, with sealed bids being accepted for a stated period of time. The bid may be accompanied by plans for redevelopment for the property. The most favorable bid shall be taken to the City Council for approval. Price will not be the only factor considered in determining the most favorable bid. A formal purchase agreement or development agreement may be required, in the City's sole discretion, which will identify the specific commitments of the buyer and a timeline for redevelopment of the property.

Interested parties will be given an opportunity to inspect the derelict/placarded property prior to submitting a bid. The City's Building and Code Enforcement Department will furnish bid forms for the derelict/placarded properties. A 10% bid security, in the form of a certified check, cash or money order, is required from every bidder.

**II. VACANT LOT PROCEDURES**

The City of Ottumwa has an interest in disposing of vacant lots acquired as the result of removing derelict houses. Property acquired in this manner will be offered for sale subject to the following conditions:

**A. Lots suitable for development**

Vacant lots which are suitable for development, as determined by the Community Development Director, may be offered for sale through a sealed bid process for the purpose of developing the property.

The minimum price for a vacant lot shall be \$500, unless the City has owned the lot for more than five years, in which case the minimum price shall be \$250. A formal purchase agreement or development agreement may be required, in the City's sole discretion.

**B. Lots not suitable for development in residential districts**

Vacant lots which are not suitable for development, as determined by the Community Development Director, and which are located in residential districts, shall be made available to the adjacent property owners prior to any other potential buyers. The City will send mailed notice to adjacent property owners prior to offering the lot for sale to the general public. The minimum price shall be \$250 for an adjacent property owner, unless the City has owned the lot for more than five years, in which case the minimum price shall be \$125. If more than one adjacent property owner seeks to purchase the lot, sealed bids will be accepted.

If no adjacent property owners are interested in acquiring the lot, the City may make the lot available to the general public, through a sealed bid process. The minimum price for a vacant lot shall be \$500, unless the City has owned the lot for more than five years, in which case the minimum price shall be \$250. Buyers who do not own adjacent property must provide a clear description of an intended, permissible use for the lot. A formal purchase agreement or development agreement may be required, in the City's sole discretion.

#### C. Lots not suitable for development in all other districts

Vacant lots which are not suitable for development, as determined by the Community Development Director, and which are located in districts other than residential districts, may be offered for sale through a sealed bid process.

The minimum price for a vacant lot shall be \$250 for an adjacent property owner, unless the City has owned the lot for more than five years, in which case the minimum price shall be \$125. If more than one adjacent property owner seeks to purchase the lot, sealed bids will be accepted.

The minimum price for a vacant lot shall be \$500 for anyone other than an adjacent property owner, unless the City has owned the lot for more than five years, in which case the minimum price shall be \$250. A formal purchase agreement or development agreement may be required, in the City's sole discretion.

### III. SEALED BID PROCEDURES

Offers will be made in writing and accompanied by bid security, if required. Offers shall be sent to the City Clerk's Office, City Hall, 105 E. Third, Ottumwa, IA 52501. Bid security may be in the form of cash or a cashier's or certified check made payable to the City of Ottumwa. The security is not refundable if applicants decide not to follow through with the property purchase once the sealed bid is opened or the application is submitted and accepted by the staff and then by the City Council.

Minimum written offer will include the following information:

1. Name and Address of buyer
2. Address of the property (legal or common address)
3. Dollar amount of the offer.
4. Proposed use of the property.
5. Development plans for the property, where appropriate/required.
6. Timeline for development, where appropriate/required.

All City properties will be transferred by quit claim deed, with no abstract and the buyer will pay all costs of conveyance. A formal purchase agreement or development agreement may be required, in the City's sole discretion. Bid security from the selected bidder will be retained and will be applied to the purchase price and expenses incurred for conveyance.

### IV. NONPROFITS/OTTUMWA SCHOOLS AS BUYERS

Nonprofit organizations such as Rippling Waters, Habitat for Humanity, or others whose mission is to build affordable housing may purchase City-owned vacant lots for \$125 regardless of the length of time the City has owned the property. These organizations may submit bids during the sealed bid process, or they may contact the City outside of the formal bid process if there are particular properties that they are interested in.

Vacant lots which are not suitable for development, as determined by the Community Development Director, and which are located in residential districts may be sold to registered nonprofit

organizations for use as community gardens. In such case, the purchase price shall be \$1.00. Nonprofits seeking this discounted price must demonstrate that their organization is sustainable and capable of maintaining the space. A formal purchase agreement or development agreement may be required, in the City's sole discretion.

Any Ottumwa School with a building trades program may purchase City-owned vacant lots for \$1.00 for the purpose of building residential dwellings. For the purpose of this policy "Ottumwa School" refers to the Ottumwa Community School District Schools, Indian Hills Community College, Buena Vista University, The Ottumwa Job Corps Center, the Ottumwa Christian School and Seton Catholic School.

#### V. PERMITTED USES

Use of City properties shall be consistent with the zoning classification for the property. In instances where legal use of the property pursuant to the zoning classification may be in conflict with existing adjacent and neighboring residential property, then certain other requirements may be imposed by the City, for the use of the property. These requirements could include, but are not limited to, providing privacy fencing to screen neighboring properties, require lighting to be restricted and requiring goods and merchandise stored outside to be on paved or asphalt surfaces.

Vacant lots may not be mined for soil, nor stripped of vegetative cover, trees, shrubs and other living material except where necessary for construction and redevelopment or to comply with City Code. Vacant lots sold as green space will be maintained in a manner appropriate to the neighborhood and consistent with City Code.

#### VI. RESERVATION OF RIGHTS

The City of Ottumwa reserves the right to deviate from these policies and procedures where appropriate and necessary, in the City's sole discretion. The City may waive irregularities in the bidding process, and reserves the right to reject any or all bids.

Approved by the Mayor and City Council

May 18, 2021  
Date  
Tom X. Lazio  
Tom X. Lazio, Mayor