

CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035



City Finance Office

300 Sixth Street

Rapid City, South Dakota 57701-5035

605-394-4143

MEMO

TO: Mayor & Council
From: Pauline Sumption
Date: May 15, 2012
RE: 820 Lemmon Update

A handwritten signature in black ink, appearing to read "Pauline", is written over the "From:" line of the memo header.

If you recall, the direction from Council at the December 5, 2011 council meeting was to surplus the property at 820 Lemmon Ave and sell the house at auction, with the stipulation that the home be removed from City limits by the successful bidder. Allison Marsland from the Attorney's office, Brad Solon from Community Planning & Development Services and I have met to discuss the best way to dispose of this house.

Initially, the City was going to try to auction the house in March or April, which would require a separate auction with a minimum commission earned by the auctioneer and a minimum amount for advertising. Because of the current timing, it is our recommendation that we include this house on the City surplus auction, which is already set for June 16th, saving the City any additional "minimum costs". We would include stipulations that the bid must be a minimum of \$3,000 and that the house must be moved outside of the City limits within 30 days.

Brad would then receive proposals on the cost to demolish the foundation and restore the land so that we can complete the land transfer with NeighborWorks. Any money received on the bid would offset the costs of the demolition and restoration.

At one time I was thinking that we should simply transfer the entire property to NeighborWorks outright. However, after considering this new option, it is my opinion it is the best course of action. Auctioning the property will offset the City's reclamation costs, and allow the City to transfer to NeighborWorks a lot that is primed and ready for the organization to obtain a permit to build an affordable home outside of the flood plain.