



Brainerd City Council Agenda Request

Requested Meeting Date:

Title of Item:

<input type="checkbox"/> INFORMATION ONLY <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> P&F COMMITTEE <input type="checkbox"/> SPW COMMITTEE <input type="checkbox"/> MAIN AGENDA	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of published hearing notice</i> <input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <input type="checkbox"/> Ordinance 1 st Reading
Submitted by:	Department:
Presenter (Name & Title):	Estimated Time Needed:
Summary of Issue:	
Alternatives, Options, Effects on Others/Comments:	
Recommended Action/Motion:	
Financial Impact: Is there a cost associated with this request: <input type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping \$ _____ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <u>Please Explain:</u>	

MEMO



TO: Mayor and Council

FROM: Finance Director Connie Hillman

DATE: April 1, 2021

RE: Request to City to Waive Recertification of Special Assessments Lot 5 Block 3, Serene Pines.

The City received a request from Mr. Brandon Town, 16120 Serene Pines Ct. Staff has been corresponding with Mr. Town about Lot 5 Block 3, Serene Pines (PID 41280507). Mr. Town is the owner of Lot 6 Block 3, Serene Pines (PID 41280506), and Mr. Town's home is on this parcel.

Mr. Town is interested in purchasing Lot 5 Block 3, which is tax forfeit and reached out to the City about the \$32,473.73 of special assessments that is on the parcel. Mr. Town's letter is attached to the agenda request.

History of Lot 5 Block 6, Serene Pines PID 41280507:

One lot of the 25 original parcels in the Serene Pines development was purchased in 2009 and the special assessment against the property was paid at that time. The payment of the special assessment was applied to Lot 5 Block 3. Somehow, the house was built on Lot 6 Block 3. This mix up was discovered I would assume in 2014. When all of this was discovered, the assessment that was paid in 2009 was then applied to Lot 6 Block 3 (the parcel Mr. Town purchased in 2020), and Lot 5 Block 3 went back on the tax rolls including the special assessment. By Lot 5 Block 3 returning to the tax rolls, the timeline restarted – meaning the number of years it is for a parcel to become tax forfeit restarted.

The 23 remaining parcels in the Serene Pines development (with the exception of Lot 5 Block 3 and Lot 6 Block 3) went tax forfeit prior to 2016. By statute, the County cannot sell tax forfeit property at less its fair market value unless it is to another governmental entity. Crow Wing County's policy is that they list tax forfeit property at fair market value plus any special assessments against the property.

In 2016, a developer approached the HRA to purchase 3 tax forfeit developments – Serene Pines, Dal Mar Estates and Brainerd Oaks - for a total of 113 lots in the City. The HRA approached the City, requesting the City to waive the City's ability to recertify the special assessments, which the City agreed to on the 113 specific lots. Again, Lot 5 Block 3 was not yet tax forfeited and not part of the 113 lots. In lieu of the City waiving its ability to recertify the special assessments, the agreement between the HRA and the developer was that the purchase price of the lots paid by the developer would be remitted to the City. The County then conveyed the 113 lots to the HRA.

Current Status:

Lot 5 Block 6, has now went tax forfeit. Mr. Town would like to purchase but the price with the special assessment is too high. Per the letter from Mr. Town, is states that his intention is to have the lot remain vacant if he would purchase it.

Staff's Recommendation:

It is Staff's recollection that one of the reasons the City Council agreed to waive its right to recertify in 2016 because the developer was purchasing 113 tax forfeited parcels and the developer intended and entered into an agreement with the HRA to build 93 homes on the 113 lots. Since Mr. Town's proposal is for only one lot Staff's recommendation would be to **not** waive the City's right to recertify. Thus, if Mr. Town or any resident would purchase the lot, that the City would work with the purchaser, and could recertify the \$32,473.73 over 10 years with 0% interest.

Since the lots did not sell previously, and the specials are deterring Mr. Town from the purchase of the lot, an additional Staff recommendation would be to direct Staff to request the HRA to approach the current developer of the 2016 agreement, to see if the developer is interested in including Lot 5 Block 3 in the agreement. If so, the HRA can come back to City Council to consider adopting a resolution officially waiving its right for recertification of special assessments on PID 41280507.

Staff put this request on the agenda, as it is a request from a resident, and the City Council could approve the request to waive the recertification.

**Brandon Town
16120 Serene Pines CT
Brainerd MN 56401
218-839-1670
bjtown@gmail.com**

Dear City Council Members,

I respectfully submit this statement to accompany my email correspondence with Ms. Pamela Ziemer.

I am very interested in purchasing the vacant lot next to my home but have concerns over the special assessments that are added in addition to the sale price noted on the Crow Wing County Land for Sale list. The County advised me that I would need to discuss this matter with the City.

My family purchased our home on Serene Pines CT (16120 – Lot 6 Block 3) in September of 2020. It should first be stated that the listing paperwork of the house we ultimately purchased noted that the blue emergency house number sign at the end of the driveway had the incorrect number but was in the process of being fixed. The blue sign was for 16130 which corresponds to the vacant lot (Lot 5 Block 3) next to us. Other than some difficulty updating our name to the various utility and service providers, not much additional thought was given to the matter. When we moved in the incorrect sign was still there. I spoke to someone at the City offices to have a new sign installed and, in the process, learned that the seller of our house at one time owned the vacant land.

Upon some research and investigation into our newly purchased home's history and the surrounding area we learned that the vacant lot next to us was for sale on the Crow Wing County Tax Forfeited Land Sale list. As you can see in the email thread there is a special assessment on the vacant lot in the amount of \$32,473.73. No other properties on this list have such large special assessments so I started digging further.

Looking at the tax documents for the vacant property, it appears that from 2010 to 2014 it was classified as Residential Homestead. Before 2010 and after 2014 it was classified as RES NH 4B. Clearly the house was not built on this lot but rather the lot next to it (Lot 6, Block 3). The classifications are reversed on the property with the house. On the 2010 Proposed Property Taxes there is a curious New Improvement noted in the amount of \$52,300. I cannot help but wonder if the special assessments on the County's land sale list has something to do with the mix up of the vacant lot and the lot where the house was actually built.

Again, I want to purchase the tax forfeited vacant lot next to my home with the intent to keep it unbuilt, however do not wish to pay over \$32,000 in special assessments. I am respectfully asking the Council to consider my request to waive and forgive those special assessments.

Thank you very much for your time and consideration. I am available if you have further questions and I look forward to hearing your comments.

Sincerely,



Brandon Town