



MEMORANDUM

To: Mayor and City Councilors
From: Rich Olson, City Manager
Date: October 24, 2013
Re: Consideration – 709 Herrington Road Property

BACKGROUND:

On September 6, 2013, City staff received a phone call from Gus Smith, who was representing the Garden of Hope House, concerning the City's homeless shelter located at 709 Herrington Road. Mr. Smith notified staff that Garden of Hope House would be vacating the 709 Herrington Road property at the end of the month of September due to a lack of funding. Garden of Hope was unsuccessful in securing a long term funding source to keep the shelter open. In addition, local support had also decreased forcing them to close their doors.

709 Herrington Road was purchased as part of the Hugh Cale Revitalization Strategies Grant. The grant has subsequently been closed. Since CDBG funds were involved in the project development, a Subrecipient Agreement would be required of any subsequent group wishing to operate the shelter. In addition, the UDO requires any homeless shelter to receive a Special Use Permit from the Board of Zoning Adjustments.

ANALYSIS:

City staff inspected the shelter after Garden of Hope House vacated the structure. Staff estimates it will cost \$15,000 to update and bring the shelter into compliance. Staff has been approached by several groups expressing an interest in operating the shelter, but none of them have a 501(c)(3) tax status designation or have previous experience in running a shelter. To operate a shelter in an effective manner, an operating budget of \$45,000 - \$50,000 is needed annually. Included in that annual cost are support staff salaries, utilities expense, upkeep and maintenance for the facility and services. It is extremely poor timing to find money/funding for a shelter.

Staff is recommending that the City Council authorize staff to sell the 709 Herrington Road property. We would need to have the property appraised to determine the fair market value and would entertain offers for that amount. Since

the City would be selling the property, we are required to follow NCGS §45-21.27 (the upset bid process).

City staff has received a determination from CI that any proceeds from the sale of the property must be used to help individuals of low to moderate income in our area.

The Finance Committee discussed this matter during their meeting on October 24, 2013 and recommends approval of staff's recommendation.

STAFF RECOMMENDATION:

By motion, authorize having the property at 709 Herrington Road appraised by a licensed appraiser;

And further, adopt the attached resolution declaring the property surplus to begin the sale process pursuant to NCGS §45-21.27 (the upset bid process);

And further, direct that once the requirements of the upset bid process have been met, staff is to bring the proposed sale back to the City Council to authorize the transaction.

RCO/vdw

**Resolution
Declaring Real Property Surplus and Authorizing Sale**

WHEREAS, the City of Elizabeth City is the owner of real property identified on the Pasquotank County Registry as PIN: 891312879218 and having a physical address of 709 Herrington Road; and

WHEREAS, the City of Elizabeth City has no current or future need of said property for public use; and

WHEREAS, the City Council is desirous of selling said parcel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elizabeth City that the parcel of property located at 709 Herrington Road is hereby declared surplus property of the City of Elizabeth City; and

FURTHER, the sale of said property is authorized and shall be conducted pursuant to the upset bid process required by North Carolina General Statutes §45-21.27

ADOPTED, this the 28th day of October 2013.

Joseph W. Peel
Mayor

Dianne S. Pierce-Tamplen, MMC
City Clerk

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PASQUOTANK COUNTY RESIDENTIAL PROPERTY INFORMATION

Tax Info [Maps](#) [Sales](#) [Election Info](#) [Other](#)

Location: 00709 HERRINGTON RD Acct: 0022882 PIN: 891312879218 MAP: 26-A-12 Deed: 938/194 Deed Date: 20061010

0010791

Owner	Assessment	Value
CITY OF ELIZABETH CITY	Land:	\$6,700.00
	Bldg	\$50,900.00
P O BOX 347	Total	\$57,600.00
ELIZABETH CITY, NC 27909	Last Update	20070302



[Send a better/correct picture](#)

Total Acres: 9.6e-002

DATE	SALES TYPE	SALE PRICE	SOURCE	ASSESSMENT	DEED BOOK/PAGE
20061010	LAND+BLDG	589	STAMPS	57600	938/194
LAND TYPE	SIZE	MKT Value			
PRIMARY	4160 SQ FT	\$ 6,660.00			

DWELLING DATA (SEE DISCLAIMER)

STYLE	OLD STYLE
STORY HEIGHT	2
ATTIC	NONE
BEDROOMS	3
TOTAL ROOMS	6
FULL BATHS	1
HALF BATHS	0
YEAR BUILT	1950
YEAR REMODELED	0
GROUND FLOOR AREA	648
TOTAL LIVING AREA	1534
CONDITION	AV

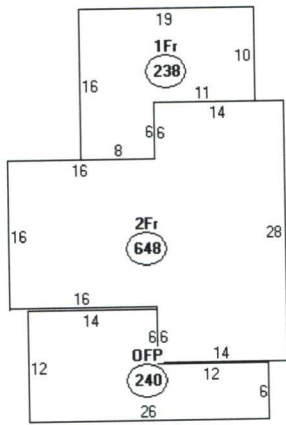
COST DATA

BASE PRICE	\$ 81,960.00
PLUMBING ADJ	\$ 0.00
HEATING/AC ADJ	\$ 0.00
EXTERIOR TRIM	\$ 0.00
FINISHED BASEMENT ADJ	\$ 1
FIREPLACES	\$ 0.00
ADDITIONS	\$ 20,900.00
SUBTOTAL	\$ 102,860.00
GRADE FACTOR	0.85
REPLACEMENT COST	\$ 87,430.00
PERCENT GOOD	58%
RCNLD	\$ 50,700.00

DISCLAIMER: DWELLING DATA BASED ON OBSERVATION AND MAY NOT REFLECT ACTUAL VALUES. DWELLING DATA DOES NOT AFFECT THE VALUATION OF PROPERTY.

OUTBUILDING DATA

Type	Qty	Year	Size	Grade	Cond	Mode Code	MKT Adj	RCN	%GD	Value
RS1	1	1975	10X12	D	F	0 0 0 0	0	1434.186	15	\$ 220



Descriptor/Area

- A: 2Fr
648 sqft
- B: 1Fr
238 sqft
- C: OFFP
240 sqft