

CITY MEMORANDUM

To: Mayor and City Council

From: Dave Smith, City Economic Development Director
Al Tightwad, City Finance Director
Tony Capone, President, Anytown Chamber of Commerce

Ref: Elementary School/Youth Center Proposal-**Supplemental Information**

To the Mayor and City Council:

We wanted you to have the following information at your disposal while you consider this project. Please feel free to contact us if you have further questions.

Dave Smith, Al Tightwad, Tony Capone

The school district has had the school and surrounding property listed for sale with a local realtor for the past five years. The initial asking price for the property was one million dollars. Over the past few years several buyers have looked into purchasing the building to develop a condominium complex in the building but each time the deals have fallen through. Rumors are that given the one million dollar asking price and the amount of money that would be necessary to fix up the building up, made it impractical. Amy Washburn, the realtor listing the property says that the asking price has been reduced to \$500,000, and that the school district is a motivated seller as they would like to eliminate their costs related to maintaining the building.

The city finance director advises that since this property belongs to the school district, it has been off of the property tax rolls for the life of the school building and generates no property taxes for the city. If the city took ownership, this would continue. If a private owner developed the property, it would generate tax revenue for the city but the amount is unknown at this time. This figure would depend upon the type of private enterprise that took the place of the school. Another condominium property in the city of the same relative size of the school building generates approximately \$200,000 in property tax revenue for the city annually, for example.