

December 19, 2023

Land Bank
City Commission Room, 701 N. Jefferson, Junction City KS 66441

Pat Landes
Ronna Larson
Jeff Underhill
Matthew Bea
Bob Story

1. 6:50 P.M. - CALL TO ORDER:

2. NEW BUSINESS:

- a. Consideration of Land Bank Minutes from the November 21st, 2023 Meeting.
(p.2)
- b. Consideration of the Exclusive Right to Sell Contract for Land Bank Properties
with Coldwell Banker Patriot Realty. (p.3)

3. ADJOURNMENT:

JUNCTION CITY LAND BANK BOARD OF TRUSTEES MINUTES

November 21, 2023

6:50 p.m.

CALL TO ORDER

A meeting of the Junction City Land Bank Board of Trustees was held on Tuesday, November 21st, 2023 with Chairman Pat Landes presiding.

The following members of the Land Bank were present: Pat Landes, Ronna Larson, Jeff Underhill, Bob Story, and Matthew Bea. Staff present was: Allen Dinkel, Tammy Melton, Lindsay Miller and Britain Stites.

NEW BUSINESS

Land Bank Minutes for the November 7th, 2023 Meeting was presented for consideration. Trustee Larson moved to approve Land Bank Minutes for November 7th, 2023 Meeting, seconded by Trustee Story. Ayes: Landes, Larson, Underhill, Story, and Bea. Nays: None. Motion Carried.

The offer from R&R Developers, LLC to Purchase Lots 5-14, Block 1 & Lots 22-24, Block 2 of the Hickory Hills Subdivision in the amount of \$13,000.00 was presented. City Manager Dinkel gave details and answered questions. Trustee Larson moved to approve the offer from R&R Developers, LLC to Purchase Lots 5-14, Block 1 & Lots 22-24, Block 2 of the Hickory Hills Subdivision in the amount of \$13,000.00 contingent on the Board of Zoning Appeals, seconded by Trustee Story. Ayes: Landes, Larson, Underhill, Story, and Bea. Nays: None. Motion Carried.

The offer from RMD, LLC to Purchase Lots 1-4, Block 1 of the Hickory Hills Subdivision in the amount of \$4,000.00 was presented. City Manager Dinkel gave details and answered questions. Trustee Underhill moved to approve the offer from RMD, LLC to Purchase Lots 1-4, Block 1 of the Hickory Hills Subdivision in the amount of \$4,000.00 contingent on the Board of Zoning Appeals, seconded by Trustee Larson. Ayes: Landes, Larson, Underhill, Story, and Bea. Nays: None. Motion Carried.

ADJOURNMENT

Trustee Underhill moved, seconded by Trustee Story to adjourn at 6:54 p.m. Ayes: Landes, Larson, Underhill, Story, and Bea. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 19TH DAY OF DECEMBER AS THE OFFICIAL COPY OF THE JUNCTION CITY LAND BANK BOARD OF TRUSTEES MINUTES FOR NOVEMBER 21ST, 2023.

Tammy Melton, Secretary

Pat Landes, Chairman

November 21, 2023

City of Junction City

Land Bank

Agenda Memo

12-19-2023

From: Allen Dinkel, City Manager/19/2023
To: Land Bank Board
Subject: **Exclusive Right to Sell Contract for Land Bank Properties**

Objective: Consider exercising an option with Coldwell Banker Patriot Realty.

Explanation of Issue: At the June 5, 2018, meeting of the Land Bank it was decided to enter in an agreement with Mowry Custer Realtors to have the exclusive right to sell Land Bank Lots. The initial agreement was approved for a period to end on December 31, 2019. The Land Bank then approved an expansion of two years as allowed in the Request for Proposal.

In 2021, a Request for Proposals for Listing Agent was requested. The Land Bank approved the proposal from Coldwell Banker Patriot Realty for a two-year period ending on December 31, 2023. The Request for Proposal allowed for a 2-year extension through December 1, 2025, if both parties approve.

Staff Recommendation: As I have said before, the Junction City Land Bank is like "non-other", and it was not a "cookie cutter go by the book" process. Lance Custer and his firm have served the Land Bank well since the Land Bank decided to use a local realtor handle the sale of Land Bank lots. He has worked well as the Land Bank has evolved and as we have had to change policies and philosophies. I highly recommend approving the 2-year extension.

Attachments: RFP from 2021, Coldwell Banker proposal in 2021.

**REQUEST FOR PROPOSALS:
LISTING AGENT**

The City of Junction City Land Bank is accepting proposals from real estate companies who have an office within the City of Junction City to serve as a listing agent for vacant residential lots within the City limits for a two-year listing period for the years of 2022 and 2023 with options to continue with the listing agreement in 2024 and 2025 upon the approval of the Land Bank Board and the real estate company. The Land Bank desires to sell lots in the Land Bank for \$5,000 with the purchaser paying all closing costs. There will be no special assessments for the lots that are presently in the Land Bank. The listing agent will be responsible for:

- Marketing and advertising of properties owned by the Land Bank
- Advising the Land Bank Board of Trustees on various methods and strategies to successfully market the lots.
- Presenting any and all offers for the purchase of lots to the Secretary of the Land Bank (City Clerk)
- Facilitating the details of each contract to the closing date
- Acting as the day to day contact person for the marketing and sale of the Land Bank lots

The Land Bank Board will make all final decisions regarding the acceptable terms of each contract. Due to Kansas State Statute regarding the sale of Land Bank property, all offers are to be approved by the Land Bank Board of Trustees (City Commission), and a public notice must be published for at least 30 days prior to closing. The City will pay for this publication cost.

Please send your sealed proposal by 3:00 P.M., Tuesday, October 26, 2021, to serve as the listing agent to:

Tammy Melton
Land Bank Secretary
City of Junction City
PO Box 287
Junction City, KS 66441

Your proposal must include fee per lot sold and information about your firm and the capabilities to serve the City Land Bank in the Capacity as Listing Agent.

Junction City Land Bank Lot Proposal Coldwell Banker Patriot Realty

Capacity to Serve as Listing Agent for the Junction City Land Bank

Lance Custer has served as the first listing agent for the land bank lots. His experience & knowledge of the land bank lot sales brings a great deal of value to the Land Bank. As the listing agent, he established the following systems for the Junction City Land Bank:

1. Created consistent & uniform processes for Realtors® to follow in submitting offers.
2. Created an FAQ (Frequently Asked Questions) flyer for Realtors® attached to the Realtors®' MLS agent side in order to educate Realtors® and in turn educate buyers.
3. Assisted title companies and educated their employees to make the escrow process smoother for the Land Bank and city staff.
4. Created addenda attached to the contract to lower risk against potential repercussions against the Land Bank after the sale.
5. Navigated (and is still working through) the on-going challenges of selling lots with and without power.
6. Helped educate Realtors® and consumers who opposed the sale of lots without specials by providing historic examples regarding the positive effect of past new construction on the Junction City real estate market.
7. Became the local expert for lot sales and spent uncountable hours working with the utility providers to develop the system for knowing which lots are available and which lots have power.

Marketing

1. Continue to create highly targeted social media ads to attract buyers to build homes.
2. Continue to attend on a yearly basis (we attended 2 previous years) home builder expos to try to attract reputable builders from Junction City, Manhattan, Topeka, Salina, Kansas City and Wichita.
3. Provide subdivision signage at the entrance of each subdivision.
4. Continue digital and traditional remarketing to buyers who have inquired about lots and to lot owners who have purchased vacant lots with the offer to assist in the building process.
5. Target market mailings to homeowners who have available land bank lots next to current home.
6. Consistent remarketing to a database of 5000+ individuals through social media and other mediums.
7. We will provide a monthly and quarterly housing market report for the Junction City and Geary County area.

We have attached a copy of our digital and social media marketing report and website statistics. Also attached is a current market report for the Junction City area. We have also included an 8 page market

summary report for the Geary County area. Of particular interest is page 3 which includes 4 year data of the Geary County housing market.

A continued collaboration between the Land Bank and the Custers/Coldwell Banker Patriot Realty ensures a proven track record of successful lot marketing and sales, a seamless offer process for lot sales and no interruption to the current system. The experiences already gained during the land bank sale process has provided us with extremely valuable and currently unmatched insight to the process. This valuable knowledge will help us assist the Land Bank moving forward.

If awarded a contract, we would like to meet with all land bank officials as soon as possible (and prior to January 2022) to share our knowledge and experience & discuss our ideas for lot pricing in the future, re-evaluate the current incentives, revisit the land bank map for lots which display with and without power, discuss new options for incentives and ideas for new methods to address some of the current challenges encountered with land bank sales.

Brokerage Fees

The brokerage fee for the lots would be \$1000 per lot sold. The \$1000 fee would be divided equally between the listing and selling sides \$500/\$500.

Stewards of the Community

Lance and Michelle Custer are currently in their 22nd consecutive year of ownership of the Coldwell Banker franchise in Junction City. The company currently has 13 sales agents and 2 licensed staff for digital marketing and transaction coordination. Coldwell Banker has maintained an office in Junction City for 38 years and serves the entire Fort Riley Area.

We understand the importance and need for constructing new homes on the land bank lots. In 2021 the Custers sold 2 land bank lots in Sutter Highlands Subdivision to R & R Developers to construct a duplex on Mallard Circle for the sole purpose of building an investment property for the Custers. The duplex is currently under construction with R & R Developers and is scheduled to be completed in March 2022. This commitment will result in an estimated additional \$6000 in real estate taxes to the community as well as a higher-end quality construction for the area. The Custers have tentative plans to continue construction on land bank lots in the near future. Their current personal commitment to real estate in Junction City results in a \$40,000/year in tax revenue.