

OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 97-182  
APRIL 7, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
WARRANTY DEED FOR 2010 AND 2020 DIXON STREET	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES GRANT COMMUNITY DEVELOPMENT DIRECTOR

**SYNOPSIS —**

Council is asked to approve the offer to purchase and to authorize the City Clerk to certify its acceptance of the warranty deed once title objections are cleared by the property owner, Howard E. VanTrees.

**FISCAL IMPACT —**

Funding to acquire and pay any relocation benefits will be available from Account #651240 and charged to Work Order No. 0214-95-018.

**RECOMMENDATION —**

Approval of the offer and acceptance of the warranty deed.

**BACKGROUND —**

The Economic Development Division of the Community Development Department instructed the Right-of-way Division of Engineering to acquire the necessary properties to convey to JFF Partners for their 14,400-square-foot building expansion in the Guthrie Avenue Business Park. On April 15, 1996, the City Council approved acquisition of the properties by purchase, or if necessary, by condemnation, and established the fair market values of the properties based on acquisition and review appraisals. The fair market value for 2010 Dixon was established as \$1,600, and the fair market value for 2020 Dixon was established at \$6,000.

The City Right-of-way Division has negotiated an offer to buy both properties for a total purchase price of \$11,000. The purchase price of \$11,000 for both properties is justified because the assessed values exceed the negotiated purchase price. It was determined that the time and expense of condemnation and the uncertainty of the eventual outcome could cost the City additional staff time and monies, and the conveyance of the properties would cause the developer to lose the Spring construction season.

2010 Dixon	Assessed Value \$11,260
<u>2020 Dixon</u>	<u>Assessed Value \$ 2,570</u>
Total Assessed Value Both Properties	\$13,830

In April 1993, the City Council entered into an urban renewal contract with JFF Partners to construct a 21,500-square-foot office/distribution facility on Disposition Parcel No. 12 (1751 Guthrie Avenue) in the Guthrie Avenue Business Park. This project was completed in 1994. The contract provided an option to purchase property to the south of JFF Partners' new development in order to expand its current facility. The company is exercising its option and intends to build an additional 14,400 square feet at an estimated cost of \$600,000 within the next year.

The City approved the Guthrie Avenue Business Park Urban Renewal Area in 1988. As part of the long-term redevelopment plan for the area, the acquisition of various parcels on the west side of Dixon Street was shown on the acquisition map.

The City Council previously authorized acquisition of this property on April 15, 1996.