

**CITY COUNCIL COMMUNICATION 98-028
JANUARY 26, 1998 AGENDA**

SUBJECT:

**CONFIRMATION OF PREVIOUSLY
ESTABLISHED FAIR MARKET VALUE
FOR 2367 EAST 14TH STREET**

SUBMITTED BY:

**HAROLD SMITH
CITY ENGINEER**

SYNOPSIS –

Reconfirm Fair Market Value established by Roll Call No. 97-3449 on October 20, 1997.

FISCAL IMPACT –

Purchase of property at \$49,000, with \$39,200 to be reimbursed by the Iowa Department of Transportation (IDOT) and \$9,800 to be paid from the City' s Capital Improvements Program (CIP) Account #383943.

RECOMMENDATION –

Reconfirm Fair Market Value as originally established.

BACKGROUND –

On September 18, 1995, by Roll Call No. 95-3503, the City Council, authorized the acquisition of the necessary right-of-way and easements for the construction of the Iowa 65 (East 14th Street) and Guthrie Avenue Intersection Improvement.

On October 20, 1997, by Roll Call No. 97-3449, the City Council established the Fair Market Value of property owned by Imperial Properties, Inc., at 2367 East 14th Street as \$49,000.

On December 8, 1997, by Roll Call No. 97-3841, a roll call was submitted to the City Council requesting that the Fair Market Value for 2367 East 14th Street be re-established at \$97,000 due to the property owner' s accumulation of property in the area with the intent of redeveloping the

properties as a commercial strip, and was based on the assumption that the owner would be able to get the properties rezoned to commercial. The City Council deferred consideration of the request so additional study of the situation could be completed.

The City' s Community Development, Legal, and Engineering Departments; IDOT; and the independent appraiser hired by the City, having had numerous discussions and, having completed additional research on the situation, have determined that the neighborhood' s vehement opposition to rezoning these properties would preclude any further growth of business at this intersection.

Attached to the roll call are copies of memos from the Legal Department to the Community Development Department, dated December 31, 1997, regarding their opinion as to the possibility of the owner getting his property rezoned; from the Planning Department to the Legal Department, dated January 14, 1998, with their response; and a copy of a letter from the independent appraiser indicating that, based on this new information, the original value of \$49,000 is the final concluded value for this property.