



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-306

SYNOPSIS -

AGENDA:

JULY 10, 2000

Purchase agreement for acquisition of property at 4405 SW 34th Street from Sandra Jean Funder and Susan K. McNally in the amount of \$455,000 for the SW 34th Street Relocation Project.

SUBJECT:

**PURCHASE
AGREEMENT FOR
PROPERTY AT
4405 SW 34TH
STREET**

FISCAL IMPACT -

The \$455,000 will come from Capital Improvement Program (CIP) Index Code 312363 - SW 34th Street Relocation - Account 541010 - Fund EN004 - Organization AIR990000 - Project/Grant AIR023.

RECOMMENDATION -

TYPE:

Approval.

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

BACKGROUND -

SUBMITTED BY:

**WILLIAM
FLANNERY
AVIATION
DIRECTOR**

On July 10, 1995, by Roll Call No. 95-2666, City Council approved the Master Plan Update for the Des Moines International Airport. On August 23, 1999, by Roll Call No. 99-2611, City Council authorized the mailing of the Notice of Intent to purchase the property at 4405 SW 34th Street and establish date of public hearing. On September 27, 1999, by Roll Call No. 99-3019, the City Council authorized acquisition of the property.

On December 7, 1999, by Resolution No. A99-395, the Des Moines International Airport Board established the Fair Market Value for the entire property at \$455,000 and authorized acquisition, closing, relocation, and a rental agreement.

On June 26, 2000, City Council set the date of public hearing for approving the proposed authorization to enter into a purchase agreement for acquisition of the property locally described as 4405 SW 34th Street from Sandra Jean Funder and Susan K. McNally in

the amount of \$455,000. The property contains 101,056 square feet of land located at 4405 SW 34th Street. The first payment of \$354,000 is to be paid by the City on or before July 15, 2000, and the balance of \$101,000 is to be paid on or before November 15, 2000. This acquisition is necessary for the expansion of the Iowa Air National Guard leasehold, which requires the relocation of a portion of SW 34th Street and McKinley Avenue. A portion of this property is needed to relocate the street later this summer.

A purchase agreement was negotiated by the City and the sellers in which the City would purchase the real estate for \$455,000 through an installment arrangement as follows:

- The sum of \$354,000 to be paid by the City to the Seller, on or before July 15, 2000.
- The balance of \$101,000 to be paid on or before November 15, 2000.

The City has been advised that such an arrangement constitutes a loan agreement under Section 384.24A of the Iowa Code, and that prior to authorizing such an agreement the City is required pursuant to Section 384.25 of the Iowa Code to publish notice of the proposal and of the date and time of the meeting at which the Council proposes to take action thereon, and to receive oral and written objections thereto from any resident or property owner of the City. The publishing of the notice of the proposal and setting the date of public hearing has been completed by the City Clerk.

The Des Moines International Airport Board, by poll recommends approval of this purchase and will officially ratify the recommendation of approval at their July 11, 2000, meeting.

This Agreement and the payments described herein are subject and subordinate to the outstanding Aviation System Revenue Bonds issued under Roll Call No. 98-1228 of the City Council of the City of Des Moines (the "Bond Resolution").