

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**02-291**

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

**AGENDA:**

**SYNOPSIS -**

JUNE 3, 2002

Resolution to accept offer to purchase 2814 Chicago Avenue for the use as owner-occupied housing.

**SUBJECT:**

**FISCAL IMPACT -**

OFFER TO  
PURCHASE REAL  
ESTATE LOCATED  
AT 2814 CHICAGO  
AVENUE

The sale of the property will result in recovering a portion of the actual acquisition, relocation, and required construction costs involved with the original "7th Ward Ditch" project. Sale of the property will result in revenue of \$47,000.

**TYPE:**

**RECOMMENDATION -**

RESOLUTION  
ORDINANCE  
RECEIVE/FILE

**Approve sale to Bryan P. Davis in the amount of \$47,000.**

**SUBMITTED BY:**

**BACKGROUND -**

DONALD M. TRIPP  
PARK AND  
RECREATION  
DIRECTOR

August 7, 2000, by Roll Call No. 00-3316, the City Council approved the Fair Market Value of the purchase of the property in the amount of \$72,500.

JEB E. BREWER  
CITY ENGINEER

On May 21, 2001, by Roll Call No. 01-1520, the City Council approved the offer to purchase in conjunction with the 7th Ward Ditch Flood Control Phase II Improvement Project.

The property was acquired to remove a portion of the structure that impeded the construction of the 7th Ward Ditch Flood Control Phase II Improvement Project. The Engineering Department authorized the removal of the obstructions (family room), at a cost of \$17,474. Following the completion of the improvements, a new appraisal was completed to establish Fair Market Value at \$60,000.

On December 10, 2001, the City Properties Administrator received a written proposal to purchase the property for \$20,000. This offer was

less than 1/3 of the current appraised value of the property. After review of the proposal and discussions with the Engineering Department, it was determined that this offer be rejected and marketing of the property be continued.

On January 28, 2002, by Roll Call No. 02-204, the City Council rejected the original offer and authorized the continuation of marketing the property.

The two offers that were received reflect the results of the additional marketing and Open House conducted by Property Management staff.

The first offer from Marjorie Angelo of 2810 Chicago Avenue for \$50,000 is nearest to the appraised value of \$60,000. The intended end use is as an investment property as rental property. The second offer from Bryan P. Davis of 616 SE Diehl, in the amount of \$47,000, is also less than the appraised value. The intended use is as an owner-occupied single-family dwelling.

Although both offers are less than the appraised value, they are near the reasonable estimate of Fair Market Value, and based on the marketing of this property, Property Management does not believe that substantially higher offers for the property will be received after additional time. The City continues to incur maintenance and liability expense relating to the property.

Owner-occupied properties generally provide a higher degree of stability in maintaining the existing value and increase future neighborhood values.

Through other programs, the City has encouraged and supported owner-occupied housing for stabilization of our neighborhoods.

The sale of 2814 Chicago Avenue to an owner occupant enhances neighborhood stability and is consistent with other City programs.

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