



**Council
Communication**
Office of the City Manager

Date

June 19, 2006

Agenda Item No. 17
Roll Call No. 06-
Communication No. 06-366
Submitted by: Jeb E. Brewer, P.E.,
City Engineer

AGENDA HEADING:

Approval to extend the closing date from June 6, 2006 to June 6, 2007 on the sale and conveyance of City-owned property located between SW 1st and SW 2nd Streets and between Dunham Avenue and Granger Avenue to Curly Top, LLC.

SYNOPSIS:

Approval of closing date extension from June 6, 2006, to June 6, 2007. The purchase of this property is subject to buyer's receipt of Iowa Finance Authority (IFA) tax credits and this extension is necessary to allow Curly Top, LLC additional time to reapply for IFA Tax Credits. It is not uncommon for applicants to be denied on their first attempt to secure said tax credits, so the buyer's request for one extension is reasonable.

FISCAL IMPACT:

Amount: \$99,903 (Revenue)

Funding Source: \$34,903 revenue to 2006-07 Operating Budget, Page 310, Property Maintenance, SP767; and \$65,000 revenue to reimburse 2006-07 Capital Improvements Program, Street Improvements, Page 11, Corridor Studies, STR118, for railroad property acquisition.

ADDITIONAL INFORMATION:

On March 28, 2005, by Roll Call No. 05-686, the City Council authorized acquisition of all necessary property interests by voluntary purchase or gift for the Indianola Avenue Redevelopment Area Project.

On August 8, 2005, by Roll Call No. 05-1919, the City Council initiated the vacation of the north/south alley in the block between SW 1st and SW 2nd Streets and between Dunham Avenue and Granger Avenue, and authorized the City Manager to negotiate an agreement with Curly Top, LLC for the sale of the entire block referenced above, subject to acquisition of the adjoining railroad property and less that part used for street purposes, all subject to approval by the City Council.

On September 12, 2005, by Roll Call No. 05-2204, the City Council approved a recommendation from the City Plan and Zoning Commission for conditional approval of a City Council-initiated request on behalf of Curly Top, LLC, for vacation and conveyance of the above-referenced north/south alley, along with a portion of Granger Avenue street right-of-way, subject to the applicant being responsible for relocating utilities as may be necessary for future development.

On September 26, 2005, by Roll Call No. 05-2382, the City Council approved and accepted the Intent to Sell and Agreement to Purchase Real Estate with the Union Pacific Railroad Company to acquire the western half of the block between SW 1st Street and SW 2nd Street and between Dunham Avenue and Granger Avenue for \$65,000, utilizing funds from the Capital Improvements Program, Account 541010, CP038, EN990000, STR118. This property was acquired with the intent of selling it along with the eastern portion of the block not needed for street right-of-way to Curly top, LLC for the Indianola Avenue Redevelopment Area Project.

This property consists of approximately 63,588 square feet. Curly Top, LLC, John Mauro, President, 2611 Ingersoll Avenue, Des Moines, Iowa, has submitted an offer to purchase in the amount of \$99,903 for the sale of the above referenced property, which is equal to the estimated Fair Market Value. The sale of this property is subject to the buyer's receipt of IFA Tax Credits, with an expected closing date of June 6, 2006. The sale is also subject to the property being redeveloped with a senior housing project.

On October 24, 2005, by Roll Call No. 05-2591, the City Council approved the above sale and conveyance of property to Curly Top, LLC. Because the buyer did not receive the IFA Tax Credits on the first attempt, they have requested an extension of the closing date from June 6, 2006, to June 6, 2007, to allow them time to reapply for the credits. It is not uncommon for applicants to be denied on their first attempt to secure said tax credits, so the buyer's request for one extension is reasonable.

PREVIOUS COUNCIL ACTION(S):

Date: October 24, 2005

Roll Call Number: 05-2591

Action: On vacation and conveyance of north/south alley in the block between SW 1st and SW 2nd and between Dunham and Granger along with a portion of Granger Avenue right-of-way lying north of and adjoining alley, to Curley Top LLC, \$99,903, for restricted use as Senior Housing with at least 40 units, subject to conditions. ([Council Communication No. 05-610](#)) Moved by Brooks to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE