


<h1>Council</h1> <h1>Communication</h1> <p>Office of the City Manager</p> 	<b>Date</b>	July 10, 2006
	<b>Agenda Item No.</b> 67 <b>Roll Call No.</b> 06 <b>Communication No.</b> <u>06-420</u> <b>Submitted by:</b> <b>Jeb E. Brewer, P.E.,</b> <span style="padding-left: 150px;"><b>City Engineer</b></span>	

**AGENDA HEADING:**

Authorization and Approval of Real Estate Contract for Property Located in the Vicinity of SW McKinley Avenue between SW 42nd Street and SW 56th Street from the Claire F. Carlson Marital Trust and the Claire F. Carlson Family Trust in the Amount of \$5,900,000 for the Airport 13R/31L Runway Project.

**SYNOPSIS:**

Recommend authorization and approval of real estate contract. The terms of this contract constitute a loan agreement under Section 384.24A of the Iowa Code. Prior to authorizing such an agreement, the City is required, pursuant to Section 384.83 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 discuss and take action thereon.

**FISCAL IMPACT:**

Amount: \$5,900,000

Funding Source: 2006-07 CIP, Aviation Department, Airport Improvements, Runway 13R/31L – Land Acquisition, AIR117, Page 28. Multi-year, federal Airport Improvement Program (AIP) grants will fund 95% of the project. Passenger facility charges will fund the 5% local share match.

**ADDITIONAL INFORMATION:**

The Claire F. Carlson Marital Trust and Claire F. Carlson Family Trust are owners of property located in the vicinity of SW McKinley Avenue between SW 42<sup>nd</sup> Street and SW 56<sup>th</sup> Street. It has been proposed that the City acquire approximately 268 acres of real estate from the property owners, pursuant to an installment arrangement, due to Airport Improvement Program (AIP) funding restraints. 95% of the cost of this property acquisition will be paid with a multi-year grant from the Federal Aviation Administration and the remainder of the costs will be paid with net revenues of the Des Moines International Airport. The purchase price of \$5,900,000 will be paid as follows:

- a) The sum of \$4,163,400 to be paid by the City to the Seller on or about July 15, 2006
- b) The balance of \$1,736,600 to be paid by the City to Seller on or about July 15, 2007

**PREVIOUS COUNCIL ACTION(S):**

Date: June 19, 2006

Roll Call Number: 06-1205

Action: On authorization of real estate contract for property in vicinity of SW McKinley Avenue between SW 42<sup>nd</sup> Street and SW 56<sup>th</sup> Street for the Airport 13R/31L Runway Project, (7-10-06). Moved by Vlassis to adopt. Motion Carried 7-0.

Date: March 7, 2005

Roll Call Number: 05-541

Action: Authorization to proceed with acquisition of the necessary right-of-way for the Airport Runway 13R/31L Project, (Estimated \$16,000,000). ([Council Communication No. 05-112](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Date: May 2, 2006

Roll Call Number: A06-38

Action: Airport Board recommended approval to City Council and authorization to make offer pursuant to a Real Estate Contract for property located in the vicinity of SW McKinley Avenue between SW 42<sup>nd</sup> Street and SW 56<sup>th</sup> Street from the Claire F. Carlson Marital Trust and the Claire F. Carlson Family Trust in the amount of \$5,900,000 for the Airport 13R/31L Runway Project.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**