



Council
Communication
Office of the City Manager

Date

August 7, 2006

Agenda Item No. 44
Roll Call No. 06-
Communication No. 06-488
Submitted by: **Jeb E. Brewer, P.E.,**
City Engineer

AGENDA HEADING:

Hold hearing on the vacation of public use on, and the conveyance of, City-owned property (locally known as Hawthorne North Softball Field) located on the south side of Maury Street between SE 10th and SE 11th Street to The Southern Rose, LP for \$236,320.

SYNOPSIS:

Recommend approval for the vacation of public use on and sale of property to The Southern Rose, LP for \$236,320. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. There is no current or anticipated need for this property.

FISCAL IMPACT:

Amount: \$236,320

Funding Source: 2006-07 Operating Budget, Page 310, Property Maintenance Endowment Fund, SP767 PKS161625

ADDITIONAL INFORMATION:

The property consists of approximately 84,000 square feet. The Real Estate Division of the Engineering Department obtained an independent appraisal on the property, which indicated a Fair Market Value of \$97,000, and sent 21 bid letters to adjacent property owners, infill-housing developers, and all other interested buyers of record. The following bids were received:

- R. M. Madden Construction, Inc. - \$82,343
- Boston Construction - \$97,000
- Polk County Youth Emergency Services and Shelter - \$104,750
- LAB Investment Company, Inc. - \$115,201
- The Southern Rose, LP - \$236,320

The Southern Rose, LP (Richard Helgeson, General Partner, 7519 East Torrey Point Circle, Mesa, Arizona, 85207) has submitted the high bid and an offer to purchase in the amount of \$236,320 for the above referenced property. The sale of this property is subject to the following contingencies:

- 1) The buyer receiving a Tax Credit Award from Iowa Finance Authority (IFA).
- 2) The buyer securing necessary financing for the construction of the project. A credit approval letter from Minnwest Bank (3130 Second Street South, St. Cloud, Minnesota, 56302-7429) was submitted with the Offer.

- 3) City approval of a site plan and issuance of a building permit, including a future right-of-way vacation and conveyance approval for a ten-foot strip of existing SE 10th Street and SE 11th Street right-of-way adjoining the property. The buyer has agreed to pay an additional \$5,600 for this requested right-of-way. The purpose of the right-of-way vacation and conveyance is to facilitate the proposed development of the site by allowing for a 25-foot setback on both SE 10th and SE 11th Streets and expanding the site to more than 2 acres, which is needed for a preferred Planned Unit Development (PUD) zoning.
- 4) The purchase price will be due on the date of closing, scheduled for September 1, 2007, unless both parties agree to a change in the closing date. The closing date may be extended for one year in the event that IFA does not award tax credits for the project in March 2007. This extension would grant the buyer one additional opportunity to apply for IFA tax credits.

PREVIOUS COUNCIL ACTION(S):

Date: July 24, 2006

Roll Call Number: 06-1453

Action: [On](#) vacation and conveyance of Hawthorne North Softball Field, located on the south side of Maury Street between SE 10th and SE 11th Streets to Southern Rose, LP, \$236,320, (8-7-06). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE