



Council Communication

Office of the City Manager

Date	December 17, 2007
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Agenda Item No.	12
Roll Call No.	<u>07-</u>
Communication No.	<u>07-742</u>
Submitted by:	Jeb E. Brewer, P.E. City Engineer

AGENDA HEADING:

Acceptance of real estate documents and acquisition settlement of \$1,395,000 for undeveloped land located at the northwest corner of SW 42nd Street and Army Post Road from Dodge Investment Company, Inc. for the Airport Runway 13R/31L Project.

SYNOPSIS:

Approval and acceptance of real estate documents and acquisition settlement of \$1,395,000 for undeveloped land located at the northwest corner of SW 42nd Street and Army Post Road from Dodge Investment Company, Inc. Without this settlement, the City would have needed to use condemnation to acquire the property. The settlement represents a land value of \$20,100 per acre, which is 8.98% higher than the appraised value and is within a reasonable range of the comparable sales used in the appraisal and other appraised values of property acquired for the project. The settlement amount is in compliance with the Federal Aviation Administration's acquisition settlement guidelines and the Airport Board approved the settlement on December 4, 2007.

This action is required to approve the acquisition settlement and authorize closing on the property.

FISCAL IMPACT:

Amount: \$1,395,000 plus closing costs.

Funding Source: 2007-08 CIP: Airport Improvements, Runway 13R/31L - Land Acquisition, AIR117, Page 29. (The project will be funded using Airport Improvement Program Grants that should fund 95% of the cost of the total Project. The remaining 5% of the project must come from Airport funds.)

ADDITIONAL INFORMATION:

Dodge Investment Company, Inc., (Charles A. Hass, Director,) 1922 Ingersoll Avenue, Suite 100, Des Moines, Iowa, is the owner of property located at the northwest corner of SW 42nd Street and Army Post Road. On August 7, 2007, by Resolution No. A07-137, the Airport Board of the City of Des Moines established Fair Market Value and authorized acquisition of this property in the amount of \$1,280,000 based on an independent appraisal. This property is needed for the construction of the Airport Runway 13R/31L project and the property owners have agreed to convey this property to the City for the negotiated settlement amount of \$1,395,000. Without this settlement, the City would have needed to use condemnation to acquire the property.

The settlement represents a land value of \$20,100 per acre, which is 8.98% higher than the appraised value and is within a reasonable range of the comparable sales used in the appraisal and other appraised values of property acquired for the project. The settlement amount is in compliance with the Federal Aviation Administration's acquisition settlement guidelines and the Airport Board approved the settlement on December 4, 2007.

PREVIOUS COUNCIL ACTION(S):

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 (Total Estimated Cost \$16,000,000). ([Council Communication No. 05-112](#)). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): AIRPORT BOARD

Date: December 4, 2007

Resolution Number: A07-203

Action: Recommended approval to City Council and authorization to make offer pursuant to a property acquisition settlement in the amount of \$1,395,000 for vacant property located at the northwest corner of SW 42nd Street and Army Post Road owned by Dodge Investment Company, Inc.

Date: August 7, 2007

Resolution Number: A07-137

Action: Established Fair Market Value and Authorized Voluntary Acquisition of Property for the Airport Runway 13R/31L Project by Gift, Negotiation, or Eminent Domain.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Acceptance of real estate documents and authorization to close on additional properties identified for acquisition as part of the Airport Runway 13R/31L Project.