



Council Communication

Office of the City Manager

Date

August 10, 2009

Agenda Item No. 19

Roll Call No. 09-

Communication No. 09-566

Submitted by: Donald M. Tripp, Park and Recreation Director, Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Acceptance of real estate documents from David R. Ghiasi for 1227 55th Street for future expansion of Glendale Cemetery.

SYNOPSIS:

Recommend Council approval and acceptance of real estate documents for acquisition of property at 1227 55th Street for \$114,000. This action is required to authorize closing of the purchase of residential property from David R. Ghiasi, 1227 55th Street, Des Moines, Iowa, 50311, for the future expansion of Glendale Cemetery. The Cemetery Division of the Park and Recreation Department has developed a long-range plan for expansion of Glendale Cemetery that includes extending the entire west property line to 55th Street. This property is currently listed for sale at \$122,000 and the City's independent appraiser has estimated the current market value of the property at \$112,000. The City's Real Estate Division has negotiated a voluntary settlement to purchase the property for \$114,000, which does not include any relocation assistance that would normally be an added expense to the City for an involuntary acquisition.

If this action is approved, the Park and Recreation Department plans to rent the property until needed for cemetery expansion. The Real Estate Division has determined the fair market value rent to be up to \$750 per month. The anticipated rent revenue for this property will help offset the acquisition costs over time.

FISCAL IMPACT:

Amount: \$114,000 (plus closing costs)

Funding Source: 2009-10 CIP, Page Park Improvements – 5, Cemetery Infrastructure and Improvements, PKS138.

ADDITIONAL INFORMATION:

On June 4, 2007, by Roll Call 07-1052, the City Council authorized the City's Real Estate Division to contact current property owners to determine their willingness to participate in a voluntary purchase or gift of their property for future expansion of Glendale and Woodland Cemeteries, subject to funding availability and final City Council approval.

The residential property at 1227 55th Street has recently come on the market and is currently listed for sale for \$122,000. David R. Ghiasi is the owner-occupant. The Park and Recreation Department is now recommending acquisition of the property for future expansion of Glendale Cemetery. The property has

been appraised by an independent appraiser in the amount of \$112,000 for a total fee acquisition. The City's Real Estate Division of the Engineering Department has negotiated a settlement in the amount of \$114,000. The owner is in the process of moving and closing will take place on or about September 1, 2009. Because this is a voluntary acquisition, the City will not provide relocation assistance benefits.

After the property is acquired by the City, the Park and Recreation Department plans to rent the property until it is needed for cemetery expansion. The Real Estate Division has determined the fair market value rent to be in the range of \$750 to \$800 per month, with potential net lease revenue to be in the range of \$8,500 to \$9,000 per year. The anticipated rent revenue for this property will help offset the acquisition costs over time.

PREVIOUS COUNCIL ACTION(S):

Date: June 4, 2007

Roll Call Number: 07-1052

Action: Approving authorization to pursue acquisition of property for future expansion of Glendale and Woodland Cemeteries. (Council Communication No. 07-343) Moved by Hensley to adopt. Motion Carried 6-1. Nays: Vlassis.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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