



Council Communication

Office of the City Manager

Date	January 25, 2010
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Agenda Item No.	48
Roll Call No.	<u>10-</u>
Communication No.	<u>10-043</u>
Submitted by:	Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Hold Hearing for vacation and conveyance of excess City-owned property adjoining 2080 King Avenue to Sutton Hill Residential Cooperative for \$127,147.

SYNOPSIS:

Recommend vacation and conveyance of such property to Sutton Hill Residential Cooperative, Steven L. Niebuhr, Senior Vice President, 6900 Westown Parkway, West Des Moines, Iowa, 50266, for \$127,147. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. The property is currently being leased by Sutton Hill Residential Cooperative, who owns the adjoining apartment complex. The property is being requested for purchase to allow for expansion of the adjoining apartment complex. There is no current or anticipated public need for this property.

FISCAL IMPACT:

Amount: \$127,147

Funding Source: Sale proceeds will be deposited into the Property Maintenance Endowment Fund, SP767, ENG980500. The first \$175,000 of annual proceeds to the Property Maintenance Endowment Fund will be returned to the General Fund (GE001, ENG040700) to offset the operating budget of the Engineering – Real Estate Division.

ADDITIONAL INFORMATION:

On November 6, 1995, by Roll Call No. 95-4223, the City Council approved vacation and lease of City-owned property adjoining 2080 King Avenue. This was a long-term lease between the City of Des Moines and Clarke Partnership for construction of a small parking area. The lease was later transferred to Sutton Hill Residential Cooperative, who is now asking to purchase this property for expansion of the adjoining apartment complex.

Sutton Hill Residential Cooperative has submitted an offer to purchase City-owned property adjoining 2080 King Avenue for \$127,147, which is equal to the estimated restricted fair market value. The size of the parcel is approximately 151,972 square feet. Approximately 92,032 square feet of the property is being sold subject to a no-build restriction. The buyer will be required to pay an additional \$55,219 in the future to have the no-build restriction released. Payment for the property will be made in two installments. The first installment of \$65,000 will be due 90 days after Council approves the sale and the buyer's due diligence has been completed. The second installment of \$62,147 will be due at closing, which shall be on or before March 1, 2011.

PREVIOUS COUNCIL ACTION(S):

Date: January 11, 2010

Roll Call Number: 10-033

Action: On vacation and conveyance of property adjoining 2080 King Avenue to Sutton Hill Residential Cooperative, \$127,147, (1-25-10). Moved by Hensley to adopt. Motion Carried 7-0.

Date: November 6, 1995

Roll Call Number: 95-4225

Action: Resolution approving vacation and lease of City-owned property. Moved by Brooks to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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