

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> November 8, 2010
	<b>Agenda Item No.</b> 53 <b>Roll Call No.</b> <u>10-1871</u> <b>Communication No.</b> <u>10-670</u> <b>Submitted by:</b> <b>Jeb E. Brewer, P.E.</b> <b>City Engineer</b>

**AGENDA HEADING:**

Resolution closing hearing and approving vacation of a portion of SW 8th Street at 309 SW 8th Street, and approving conveyance of an easement for building encroachment upon such vacated right-of-way to Hubbell Realty Company.

**SYNOPSIS:**

Recommend approval on closing hearing and approving vacation of a portion of SW 8th Street at 309 SW 8th Street, and approving conveyance of an easement for building encroachment upon such vacated right-of-way to Hubbell Realty Company. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution.

Hubbell Realty Company owns a warehouse building at 309 SW 8th Street and seeks to renovate the building for residential use utilizing low-income housing tax credits. The building encroaches a few inches into the adjoining SW 8th Street right-of-way. The vacation of this right-of-way and the conveyance of an Easement for Building Setback to legalize the encroachment are necessary for this project to proceed. The purchase price for the easement is \$1,200, which is equal to the estimated fair market value of the easement area. The fair market value is based on independent appraisals received by the City for similar land located along Martin Luther King Jr. Parkway.

**FISCAL IMPACT:**

Amount: \$1,200 (Revenue)

Funding Source: Sale proceeds will be deposited into the Property Maintenance Endowment Fund, SP767, and 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:**

The existence of the building encroachment into the public right-of-way constitutes a material title defect, which must be remedied before mortgage financing can be obtained on the building. The proposed vacation of the encroachment area and the conveyance of an easement legalizing that encroachment for the life of the existing building are intended to remedy that title defect and allow Hubbell Realty Company to obtain the financing necessary to renovate the building for residential use.

This vacation was not presented to the Plan and Zoning Commission for its review and recommendation because of the historic nature of the building encroachment and the deminimus impact of the proposed vacation. Furthermore, Hubbell Realty Company has asked that the City Council waive readings and give final passage to the vacation ordinance.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 25, 2010

Roll Call Number: [10-1726](#)

Action: [On](#) vacation and conveyance of a portion of SW 8th Street right-of-way at 309 SW 8th Street to Hubbell Realty Company, \$1,200, (11-8-10). Moved by Mahaffey to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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