 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	June 27, 2011
	Agenda Item No. 47 Roll Call No. <u>11-1073</u> Communication No. <u>11-412</u> Submitted by: Jeb E. Brewer, P.E., City Engineer and Terrance N. Vorbrich, Acting Economic Development Administrator	

AGENDA HEADING:

Hold hearing for vacation and conveyance of the remaining public alley right-of-way located in the block bound by Vine, Water, Market and Southwest 2nd Streets to Waterfront Lodging, Inc. for \$39,856.

SYNOPSIS:

Recommend vacation and conveyance of such property to Waterfront Lodging, Inc., Bob Patel, President, 1701 Mt. Pleasant Street, Suite 1, Burlington, Iowa 52601, for \$39,856. The purchase of this property will allow the Buyer to assemble the vacated alley right-of-way with the commercial property they are purchasing at 101 Southwest 2nd Street for development of a hotel. The conveyance of the alley will not take place until Waterfront Lodging, Inc. closes on the purchase and can demonstrate ownership of the abutting property, and their development plan for the property has been approved by City Council. If the project is not completed, the alley will remain in City ownership. There is no current or anticipated public need for this property and this action is required by Iowa law prior to making a final determination on the proposed sale by resolution.

FISCAL IMPACT:

Amount: \$39,856

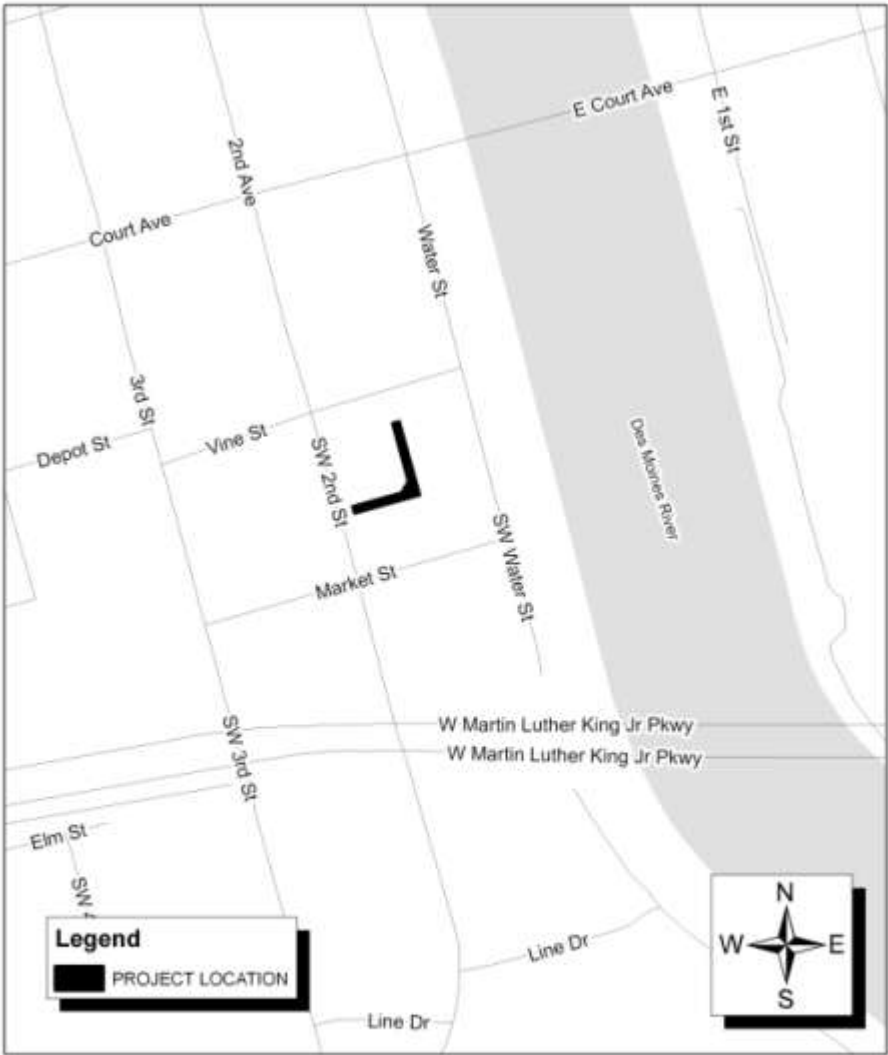
Funding Source: Sale proceeds will be deposited into the Property Maintenance Endowment Fund, SP767, ENG980500. The first \$175,000 of annual proceeds to the Property Maintenance Endowment Fund will be returned to the General Fund (GE001, ENG040700) to offset the operating budget of the Engineering –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

ADDITIONAL INFORMATION:

On July 27, 2009, by Roll Call No. 09-1315, the City Council received a recommendation from the City Plan and Zoning Commission that the remaining intervening public alley right-of-way located in the block bound by Vine, Water, Market and Southwest 2nd Streets be vacated and sold subject to the site being developed in conformance with the City’s Design Guidelines for the Court Avenue Historic Area as approved by the Urban Design Review Board and with a “D-R” District site plan as approved by the Plan and Zoning Commission.

Waterfront Lodging, Inc. has submitted an offer to purchase the above referenced property for \$39,856, which is equal to the estimated restricted fair market value. The size of this parcel is approximately 4,982 square feet. The property is being sold subject to a no-build restriction, along with the conditions listed above. The buyer will be required to pay an additional \$39,856 in the future to have the no-build restriction released.

The purchase of this property will allow the Buyer to assemble the vacated alley right-of-way with the commercial property they are purchasing at 101 Southwest 2nd Street for development of a hotel. The conveyance of the alley will not take place until Waterfront Lodging, Inc. closes on the purchase and can demonstrate ownership of the abutting property, and their development plan for the property has been approved by City Council. Furthermore, if the project is not completed, the alley will remain in City ownership.



**DISPOSITION -
WATERFRONT LODGING, INC.**

PREVIOUS COUNCIL ACTION(S):

Date: June 13, 2011

Roll Call Number: 11-0987

Action: On vacation and conveyance of remaining public alley right-of-way in the block bound by Vine, Water, Market and SW 2nd Streets to Waterfront Lodging, Inc. for \$39,856, subject to conditions (6-27-11). Moved by Moore to adopt. Motion Carried 7-0.

Date: July 27, 2009

Roll Call Number: 09-1315

Action: Regarding request from HRC Hotels, LLC for vacation of the remaining intervening public alleys located in the block bound by Vine, Water, Market and SW 2nd Streets, subject to conditions. Moved by Hensley to receive and file and refer to the City Manager to gather and report the historical information about this property, and to also report on the impact this would have on other hotels downtown. Motion Carried 7-0.

Date: July 27, 2009

Roll Call Number: 09-1316

Action: Receipt of letter from Dale and Barbara Henning regarding proposed development in Court Avenue area. Moved by Hensley to receive and file. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: July 16, 2009

Resolution Number: 11-2009-1.10

Action: Approval of request from HRC Hotels, LLC (purchaser) 101 Southwest 2nd Street, for vacation of the remaining intervening public alleys located in the block bound by Vine, Water, Market and Southwest 2nd Streets subject to conditions.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.