Council Communication

Department: Community Development CASE #OTB-19-024 Applicant: Warren Distribution Attn: Chuck Downey 950 S. 10th Street, Suite 300 Omaha, NE 68108-3296	Resolution of Intent No. _____ Resolution to Dispose No. _____	Set Public Hearing: 8/26/2019 Public Hearing: 9/9/2019

Subject/Title

Request of Warren Distribution, represented by Chuck Downey, to purchase property described as Lot 2, River Road Subdivision, City of Council Bluffs, Pottawattamie County, Iowa. The property is located North of 2849 River Road.

Background/Discussion

The City has received an offer to purchase the property described above. The property is classified as 'transitional Preserve' and 'buildable', though the City Council agreed to review the sale of the property to Warren Distribution and the OPUS Group at the March 11, 2019 City Council Meeting. The applicant has requested to purchase this lot so that they can obtain ownership of the land they are currently leasing from the City for truck parking, and to have additional land area available for a future warehouse expansion, should the need arise.

As is stated in the adopted Inventory and Disposal Policy for Surplus City Policy, the property should be valued at the last assessed value, or last appraised value if one is available. The subject property is part of the River Road Subdivision, which is comprised of 48.479 acres of industrial zoned land. In February 2017, the City received an appraisal of the property from Mitchell & Associates, Inc., which estimated the entire subdivision to be valued at $2,630,000.00 (or $1.25 square foot). The applicant has submitted an offer of $261,000.00 (or 0.67 cents/square foot) for the subject nine acres. This offer was received after discussions were held between the applicant, Community Development Department, Legal Department, and Advance Southwest Iowa on the size and existing conditions (e.g., easements and potential wetlands) of the subject nine acres, as well as, their intent to use to it for truck parking. All parties involved this conversation agreed that $261,000.00 was a fair offer after taking into consideration the development challenges on lot, even though it was less than the $1.25 per square foot quoted in the appraisal.

The subject offer to buy is subject to the approval of the Final Plat of the River Road Subdivision, which is being reviewed with Case #SUB-19-007. With the sale of this property to Warren Distribution, the City intends to transfer their share of the ongoing levee maintenance costs in a manner that is equitable to the size of property being purchased. Based on the configuration of the River Road subdivision, the future owner of Lot 1, River Road Subdivision (39.479 acres) will be responsible for 13.1819% of the levee maintenance cost; and Warren Distribution, as the owner of Lot 2, River Road Subdivision (9.0 acres) will responsible for 3.006% of the maintenance costs.

Recommendation
The Community Development Department recommends setting a public hearing on the disposal of the property legally described as Lot 2, River Road Subdivision, City of Council Bluffs, Pottawattamie County, Iowa on the September 9, 2019 City Council Meeting.
Attachment A: Case Map **Attachment B:** River Road Subdivision Final Plat (Page 2)
Prepared By: Chris Meeks, Planner, Community Development Department