Council Communication

Department: Community Development CASE #OTB-19-017 Applicant: City of Council Bluffs	Resolution to Dispose No. _____	Public Hearing: 5/4/2020

Subject/Title

Request of the City of Council Bluffs to dispose of surplus city property associated with the former right-of-way of 29th Avenue, a roadway which has been converted to an alleyway. The subject properties are generally described as being a portion of Lots 13 and 14, Block 85, Railroad Addition, and a portion of the vacated alleys adjacent, City of Council Bluffs, Pottawattamie County, Iowa.

Location: West of South 11th Street, East of South 12th Street, North of the former 29th Avenue right-of-way

Background/Discussion

In June of 2018, the Iowa Department of Transportation deeded to the City of Council Bluffs a portion of property near the former right-of-way of 29th Avenue, which was previously acquired by the Iowa DOT to accommodate the Interstate 80/Interstate 29 Interstate project. It was determined by the Community Development Department, Public Works Department, and City Owned Property Committee that the best course of action to dispose of these surplus properties would be to offer them to adjacent property owners in a manner that would correct any nonconformities, keep lot shapes as uniform in shape as possible, and to allow property owners reasonable use of the acquired property. It was determined that the value for each property should be established using the adopted Street, Alley, and Public Ground Vacation schedule. Since none of the properties are exclusively buildable, the City Owned Property Committee has proposed to sell the properties to adjacent property owners using a forgivable mortgage, requiring an initial 10% down payment with the remaining value being forgiven after 2 years of satisfactory maintenance of the property.

The following property owners were offered the opportunity to purchase a section of the surplus property:

- Steve and Sandra Kephart, owners of the property addressed as 2825 S. 12th Street were offered the opportunity to purchase a portion of the land east of their property but indicated they were not willing to purchase said land.
- Gary and Erin DeWaele, owners of the property addressed 2820 S. 11th Street were offered and indicated they were willing to purchase the land west of the property they own, legally described as the South 65 feet of the North 132 of Lots 13 and 14, Block 85, Railroad Addition and the abutting halves of the vacated alleys adjacent, as shown on Attachment B. The subject parcel is 5,126 square feet in area, and the total value of this parcel would be established at $843.00 with $84.30 being due at closing.
- Matthew McCormick, owner of the property addressed as 2818 S. 11th Street was offered and indicated he was willing to purchase the land west of his property, legally described as the South 50 feet of the North 67 feet of Lots 13 and 14, Block 85, Railroad Addition and the abutting halves of the vacated alleys adjacent, as shown on Attachment C. The subject parcel is 3,942 square feet in area, and the total value of this parcel would be established at $621.30 with $62.13 being due at closing.
- MRR Inc, owners of the property addressed as 1117 28th Avenue were offered and indicated they were willing to purchase the land south of their property, legally described as the North 17 feet of Lots 13 and 14, Block 85, Railroad Addition and the abutting halves of the vacated alleys adjacent, as shown on Attachment D. The subject parcel is 1,340 square feet in area, and the total value of this parcel would be established at $231.00 with $23.10 being due at closing.

Recommendation

The Community Development Department recommends disposing of the above described properties subject to the following conditions:

1. The subject property shall be conveyed in the following manner:
   a. Gary and Erin DeWaele, owners of the property addressed as 2820 S. 11th Street, will acquire the property legally described as the South 65 feet of the North 132 of Lots 13 and 14, Block 85, Railroad Addition and the abutting halves of the vacated alleys adjacent, as shown on Attachment B. The subject property shall be valued at $843.00 with a 10% down payment of $84.30 due at closing and the remaining $758.70 being forgiven after two (2) years of satisfactory maintenance.
   b. Matthew McCormick, owner of the property addressed as 2818 S. 11th Street, will acquire the property legally described as the South 50 feet of the North 67 feet of Lots 13 and 14, Block 85, Railroad Addition and the abutting halves of the vacated alleys adjacent, as shown on Attachment C. The subject property shall be valued at $621.30 with a 10% down payment of $62.13 being due at closing and the remaining $559.17 being forgiven after two (2) years of satisfactory maintenance.
   c. MRR Inc., owners of the property addressed as 1117 28th Avenue, will acquire the property legally described as the North 17 feet of Lots 13 and 14, Block 85, Railroad Addition and the abutting halves of the vacated alleys adjacent, as shown on Attachment D. The subject property shall be valued at $231.00 with a 10% down payment of $23.10 being due at closing and the remaining $207.90 being forgiven after two (2) years of satisfactory maintenance.
2. Property owners shall combine their newly acquired property with the parcels they currently own, and shall sign an agreement not to sell the newly acquired property separately from their current property without approval from the City of Council Bluffs Community Development Department.
3. Closing on the properties shall occur with 60 days of the date of approval.

Attachment A: Case map
Attachment B: Survey of Property to be sold to the owners of 2820 S. 11th Street
Attachment C: Survey of Property to be sold to the owners of 2818 S. 11th Street
Attachment D: Survey of Property to be sold to the owners of 1117 28th Avenue

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