Council Communication

Department: Community Development CASE #OTB-19-018 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 Lot 10 and Lots 14 and 15, Block 28, Bayliss 3rd Addition, and a portion of the vacated alleys adjacent, City of Council Bluffs, Pottawattamie County, Iowa.

Location: West of South 10th Street, East of South 11th 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:

- Eddy and Shelly McCaffrey, owners of the property addressed as 2820 S. 10th Street were offered the opportunity to purchase a portion of the land west of their property but no response was received.
- Steven and Kristina James, owners of the property addressed as 2826 S. 10th Street were offered the opportunity to purchase a portion of the land west of their property but indicated they were not willing to purchase said land.
- David Neu, owners of the property addressed as 2821 S. 11th Street was offered and indicated he was willing to purchase the land east and south of the property he owns, legally described as Lot 10, and a portion of Lots 14 and 15, Block 28, Bayliss 3rd Addition and a portion of the vacated alleys adjacent, as shown on Attachment B. The subject parcel is 9,711 square feet in area, and the total value of this parcel would be established at $3,135.50 with $313.55 being due at closing.
- David Neu, owner of the property addressed as 2819 S. 11th Street was offered and indicated he was willing to purchase the land east of his property, legally described as a portion of Lots 14 and 15, Block 28, Bayliss 3rd Addition and a portion of the vacated alleys adjacent, as shown on Attachment C. The subject parcel is 2,772 square feet in area, and the total value of this parcel would be established at $445.80 with $44.58 being due at closing.
- Paul Funk, owner of the property addressed as 1017 28th Avenue was offered and indicated he was willing to purchase the land east of his property, legally described as the northern portion of Lots 14 and

15, Block 28, Bayliss 3rd Addition and a portion of the vacated alleys adjacent, as shown on Attachment D. The subject parcel is 1,400 square feet in area, and the total value of this parcel would be established at $240.00 with $24.00 being due at closing.

Mr. Funk also indicated he was interested in purchasing land beyond what he was offered if it were made available, and spoke at the February 24, 2020 City Council Meeting to express this interest. As shown on Attachment E, portions of the subject surplus property was originally offered to all abutting property owners to purchase, and when two property owners indicated they were not interested in acquiring the additional property, the unclaimed portions were offered to the abutting property owners with the goal that when all sales are completed all parcels remain as square as possible. With this goal in mind, David Neu was offered, and indicated he was interested in purchasing the previously unclaimed portions of the property. Mr. Funk was not offered any additional land because his resulting parcel would end up an irregular shape with a panhandle as the southeastern portion.

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. David Neu, owner of the property addressed as 2821 S. 11th Street, will acquire the property legally described as Lot 10, and a portion of Lots 14 and 15, Block 28, Bayliss 3rd Addition and a portion of the vacated alleys adjacent, as shown on Attachment B. The subject property shall be valued at $3,135.50 with a 10% down payment of $313.55 being due at closing and the remaining $2,821.95 being forgiven after two (2) years of satisfactory maintenance.
   b. David Neu, owner of the property addressed as 2819 S. 11th Street, will acquire the property legally described as a portion of Lots 14 and 15, Block 28, Bayliss 3rd Addition and a portion of the vacated alleys adjacent, as shown on Attachment C. The subject property shall be valued at $445.80 with a 10% down payment of $44.58 being due at closing and the remaining $401.22 being forgiven after two (2) years of satisfactory maintenance.
   c. Paul Funk, owner of the property addressed as 1017 28th Avenue, will acquire the property legally described as the northern portion of Lots 14 and 15, Block 28, Bayliss 3rd Addition and a portion of the vacated alleys adjacent, as shown on Attachment D. The subject property shall be valued at $240.00 with a 10% down payment of $24.00 being due at closing and the remaining $216.00 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 2821 S. 11th Street
Attachment C: Survey of Property to be sold to the owners of 2819 S. 11th Street
Attachment D: Survey of Property to be sold to the owners of 1017 28th Avenue
Attachment E: Parcel Division Map

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