**Council Communication**

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| Department:<br>Community Development<br><br>CASE #OTB-20-012<br><br>Applicant:<br>Chance Petro<br>910 5th Avenue<br>Council Bluffs, IA 51501 | Resolution to Dispose No. _____ | Public Hearing:<br>9/14/2020 |

**Subject/Title**

Request of Chance Petro to purchase property described as Lot 5 excluding the West 7 feet, Block B, Curtis and Ramsey's Addition, City of Council Bluffs, Pottawattamie County, Iowa. The property is generally addressed as 908 5th Avenue

**Background/Discussion**

The City has received an offer to purchase the property described above. The property is classified as 'transitional dispose' and 'buildable'. The applicant wishes to acquire the property to maintain and use as a garden, with the goal of constructing a new home on the property in the next 2-5 years. Currently, the applicant lives next door to the subject property at 910 5th Avenue, which is owned by a family member. According to the adopted policy of April 23, 2018, the property should be priced at the most recent assessed value, which on this property would be $7,700.00. The applicant has submitted a $770.00 down payment.

The applicant has requested that the remaining value beyond the $770.00 down payment be forgiven after two years of satisfactory maintenance, or with the construction of a home. As is stated in the adopted Inventory and Disposal Policy for Surplus City Policy, any property that has been listed on the Disposal list for greater than 24 months is eligible to be sold using a forgivable mortgage. This property was first acquired by the City of Council Bluffs in June of 2012 and was awarded for sale to another buyer in January of 2017 (Case #OTB-16-019), though was re-acquired by the City in January of 2018. Because the property has been actively marketed for greater than 2 years, the property would be eligible for a forgivable mortgage.

The following costs have been incurred on the subject property:

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| Permits and Inspections Division: Various Fees: | $ 2,822.45 |
| Permits and Inspections Division: Demolition: | $ 9,100.00 |
| Total | $11,922.45 |

The subject property is 48 feet wide by 130 feet deep, and is 6,240 square feet in size, which exceeds the Site Development standards for a property located in the R-3/Low Density Multifamily Residential District that would be used for a single-family detached or single-family attached or duplex structure. The property is large enough to accommodate a new residential dwelling, as the applicant has proposed.

Given the extended timeframe the Applicant has requested to construct a home on the property, Staff has proposed requiring a minimum assessment agreement to be enacted once the forgivable mortgage takes effect on the property. The five closest homes to the subject property have an average assessed value of $60,368.40. Considering the increased assessed value of a new home, Staff is recommending an $80,000 minimum assessment of the property which will take effect three years after the date of approval to sell the subject property. Staff proposes a three year timeframe as the applicant intends to build a home on the property within a 2-5 year timeframe of being granted approval to purchase the property, therefore giving

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| the applicant one year to construct a home after his earliest estimation of a start date to construction. |
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| **Recommendation**<br>The Community Development Department recommends disposing of the property legally described as Lot 5 excluding the West 7 feet, Block B, Curtis and Ramsey's Addition, City of Council Bluffs, Pottawattamie County, Iowa subject to the following conditions:<br>1) The sale price shall be $7,700.00 with costs beyond the $770.00 down payment being forgiven after three (3) years of satisfactory maintenance, or with the construction of a home on the property.<br>2) The applicant shall sign a minimum assessment agreement on the property which would set the taxable value of the lot to $80,000 three (3) years after the date of approval. The minimum assessment agreement shall be nullified at such time a home is constructed on the property and receives a certificate of occupancy. |
| **Attachment A:** Location map |
| **Prepared By:** Chris Meeks, Planner, Community Development Department |