Council Communication

Department: Community Development CASES #OTB-21-006 Applicant: Rodney Kerkman 229 East Graham Avenue Council Bluffs, IA 51503	Reso. of Intent No. _____ Reso. to Dispose No. _____	Set Public Hearing: 05/10/2021 Public Hearing: 05/24/2021

Subject/Title

Request: Set public hearing on the request of Rodney Kerkman to purchase city-owned property described as the northeasterly 50 feet of the southeasterly 200 feet of Lot 3, Subdivision of Original Plat Lot 91, City of Council Bluffs, Pottawattamie County, Iowa.

Location: Property formerly addressed as 223 East Graham Avenue, Council Bluffs, IA 51503

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 purchase the subject property in order to construct a single-family residential rental property in the Fall of 2021 to Spring 2022. According to the *Inventory and Disposal Policy for Surplus City Property*, adopted by City Council on April 23, 2018, the property should be priced at the most recent assessed value, which on this property would be $27,800.00. The applicant has offered $3,095.00 to purchase the property, and has submitted a $2,815.00 down payment.

The subject property was acquired by the City of Council Bluffs on March 12, 2021 via a 657A Petition through the Iowa District Courts. As is stated in the adopted *Inventory and Disposal Policy for Surplus City Policy*, the property is not be eligible for a forgivable mortgage as it has not been actively marketed on the Surplus Property list for more than the required 24 months.

The following costs have been incurred on the subject property:
Legal Department: $325.00
Permits and Inspections Division: $9,070.00
Total: $9,395.00

The subject property is currently zoned R-1/Single-Family Residential District. The lot measures 50 feet wide by 400 feet deep, and contains approximately 23,600 square feet in area, which exceeds the minimum lot size requirements of the R-1/Single-Family Residential District. The applicant has not submitted any conceptual house plans to the City for review. However, based on the size of the parcel, the applicant should be able to construct a new single-family residential dwelling on the property that meets or exceeds the City's minimum single-family residential dwelling size requirements (20 feet wide with a minimum 500 square feet ground floor area).

There is a competing offer for the subject property from Jolene and Jesse Hansen (see Case #OTB-21-005). Mr. and Mrs. Hansen wish to purchase the subject property in order to construct a handicap accessible

home for their son who was critically injured in a snowboarding accident in February 2021. Both offers are scheduled to be reviewed at the same public hearing.

The Community Development Department has reviewed both proposals and recommends City Council deny the applicants offer, and accept the offer from Mr. and Mrs. Jolene J. and Jesse P. Hansen, for the following reasons:

1. The Hansen's $30,000.00 offer is greater than the property's current assessed value ($27,800.00);
2. The Hansen's $30,000.00 offer is greater than the $3,095.00 offer submitted by Mr. Rodney Kerkman; and
3. The City of Council Bluffs will be fully reimbursed for all their costs incurred on the property by accepting the Hansen's offer. *Note: Any remaining proceeds from the sale of this property will be returned to the Iowa District Court, as required by Iowa 657A statutes.*

Recommendation

The Community Development Department recommends denial of the request by Rodney Kerkman to dispose of surplus City-owned property legally described as the northeasterly 50 feet of the southeasterly 200 feet of Lot 3, Subdivision of Original Plat Lot 91, City of Council Bluffs, Pottawattamie County, Iowa at the May 24, 2021 City Council meeting, based on reasons stated above.

Attachments

Attachment A: Location/Zoning Map
Attachment B: Application submittal

Prepared by: Christopher Gibbons, Planning Manager, Community Development Department