

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF LAND FOR THE EXPANSION OF TOP-O-HOLLOW SUBSTATION

BACKGROUND:

This is a request to purchase 16,860 square feet of property immediately west of, and adjacent to, Top-O-Hollow Substation in the total amount of \$22,287. This additional property will accommodate a planned expansion to this substation. In the current CIP is an approved project to upgrade Top-O-Hollow Substation with motor operated switches; this project plan was constrained by the existing substation site and did not anticipate the availability of adjacent property. In discussing plans with the adjacent property owners on the east and west side of the substation, Electric Services discovered an opportunity to purchase a portion of property on the west side of the substation, so plans have been revised to include a more comprehensive upgrade to this substation. The revised plan includes the addition of breakers and a relay control room, which represents best industry practice for optimal system reliability. In the current CIP budget, funding is available as follows:

| | |
|---|----------------|
| Approved FY 2008/2009 CIP for interconnection project | \$350,000 |
| Funds carried over from the approved FY 2007/2008 CIP | <u>120,000</u> |
| Total | \$470,000 |

The current schedule is to complete land purchase and engineering in this fiscal year and conclude construction by June 30, 2010.

The City of Ames Attorney's office has reviewed this purchase and prepared the contract, which has been approved by the seller.

ALTERNATIVES:

1. Approve the purchase of 16,860 square feet of property at 1111 Top-O-Hollow Road in the amount of \$22,287 to allow for a planned substation expansion.
2. Deny the request to purchase land and delay the project.

MANAGER'S RECOMMENDED ACTION:

Purchase of the subject land will allow Electric Services to make improvements that will further improve the reliability of Ames Electric System in a manner that represents best industry practices for reliable system operations.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the purchase of 16,860 square feet of property at 1111 Top-O-Hollow Road in the amount of \$22,287 to allow for a planned substation expansion.



City Attorney's Office

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December 11, 2008

The Honorable Ann H. Campbell, Mayor,
and Members of the City Council
of the City of Ames, Iowa

Attn: Lyndon Cook, Electric Department

Re: Title Opinion - 1111 Top O Hollow Road, Ames, Iowa

Dear Mayor Campbell and Council Members:

I have examined the abstract of title prepared and certified to November 14, 2008, by Abstract and Title Services of Story County, for the property known locally as part of 1111 Top O Hollow Road and described as:

Lot 1, Clark's Subdivision (also known as Karl Clark's Subdivision), Ames, Iowa.

Based on my examination of the abstract of title, I find that marketable record title to the subject property at the time of the abstract certification was vested in Philip Morrissey and Beverly Morrissey, husband and wife, by virtue of the Warranty Deed dated August 27, 2002, and filed for record August 29, 2002, as Instrument No. 02-13089 in the office of the Recorder for Story County, Iowa. An affidavit of Beverly Morrissey, as surviving spouse of Philip Morrissey, dated November 3, 2008, was filed for record November 9, 2008, as Instrument No. 08-11976.

Marketable title is subject only to:

1. A mortgage to Mortgage Electronic Registration Systems, Inc., in the amount of one hundred eighty thousand dollars (\$180,000.00) dated January 5, 2005, and filed of record January 11, 2005, as Instrument No. 05-00402 in the office of the Story County Clerk of Court, Ames, Iowa; and
2. Real estate taxes in the amount of one thousand four hundred eight dollars (\$1408.00) that will be unpaid and due but not delinquent for the fiscal year ending June 30, 2008. Under the contract of sale Seller is to pay all real estate taxes that are due and payable in the fiscal year in which possession is given, plus Seller's prorated share, based upon date of possession, of real estate taxes for the fiscal year in which possession is given that are due and payable in the subsequent fiscal year.

Respectfully submitted,

Douglas R. Marek
City Attorney