

COUNCIL ACTION FORM

SUBJECT: PROPERTY ACQUISITION FOR RESOURCE RECOVERY RECYCLABLES BUILDING AND STAGING AREA

BACKGROUND:

Activities at the City’s Resource Recovery Plant have demonstrated the need for more usable space, especially for an area to stage and park semi-trailers that are used for the transfer of metals to market and reject materials to the Boone County landfill. This space would require a concrete parking area directly east of the plant processing area in order to enhance the movement of semi-trailers.

A second, future need has grown out of the collecting, processing, and transferring of recyclables to markets. This need could eventually be fulfilled by a cold storage building in close proximity to the plant with customer access.

On January 27, 2009, Council authorized staff to negotiate with the owners of the three properties directly across Borne Ave. east of the Resource Recovery Plant. These properties are at 503 East Lincoln Way, 116 Borne Avenue, and 122 Borne Avenue. The three properties were appraised, and staff was authorized to negotiate up to the **total appraised value** of \$298,000 for all three properties. The recently established **assessed value** of the three properties is \$340,900.

Staff has now negotiated agreeable prices with the owner of 503 E. Lincoln Way for \$160,000 and with the owner of 122 Borne Avenue for \$44,000. The owner of 116 Borne Avenue has made many interior improvements to his home, and is asking \$105,000. If that price is paid, the total negotiated cost for all three properties would be \$309,000, which is \$11,000 more than originally authorized by Council (though still less than the total assessed value). This funding would come from the Resource Recovery Fund balance. The fund balance at the end of 2008/09 is estimated to be \$2,578,053.

Property	Appraised Value	Current Assessed Value	Negotiated Price
122 Borne Avenue	\$ 38,000	\$ 56,900	\$ 44,000
503 E. Lincoln Way	\$175,000	\$207,000	\$160,000
116 Borne Avenue	<u>\$ 85,000</u>	<u>\$ 77,000</u>	<u>\$105,000</u>
TOTAL	\$298,000	\$340,000	\$309,000

ALTERNATIVES:

- 1a. Approve the purchase of 503 E. Lincoln Way in the amount of \$160,000.
- b. Approve the purchase of 116 Borne Avenue in the amount of \$105,000.
- c. Approve the purchase of 122 Borne Avenue in the amount of \$44,000.

2. Do not authorize purchase of the 116 Borne property, but move forward with the purchase of 122 Borne Avenue and 503 East Lincoln Way.
3. Do not authorize purchase of any of these properties.

MANAGER'S RECOMMENDED ACTION:

In order to be positioned to move forward with future expansion, the acquisition of the three subject properties is vital. Purchase agreements with the owners of 503 East Lincoln Way and 122 Borne Avenue have already been signed by the property owners and are awaiting Council approval. The owner of 116 Borne Avenue is waiting to finalize a purchase agreement with the City until the Council accepts his proposed price. Delay of these acquisitions would likely create additional expenses later in the project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the purchases of 503 East Lincoln Way in the amount of \$160,000, of 116 Borne Avenue in the amount of \$105,000, and of 122 Borne Avenue in the amount of \$44,000.