

COUNCIL ACTION FORM

SUBJECT: SALE OF RIGHT OF WAY AT 115 SOUTH SHELDON AVENUE

BACKGROUND:

The developer of 2700 Lincoln Way formally requested the purchase of a portion of right of way south of 2700 Lincoln Way and east of 115 South Sheldon Avenue to accommodate underground detention as a part of the project's storm water management plan. The land totals 2,184 square feet in area; and a map of the general location is shown in Attachment A.

At the September 27, 2016 Council Meeting, Council provided direction to move forward with the sale of this right-of-way. Staff contacted all right-of-way users and found one facility in that parcel – Alliant Energy. The developer's engineer is working with Alliant to relocate their facilities at the developer's cost.

The current practice approved by the City Council to establish the sale price for City land is as follows: Step 1) determine the average value per square foot from the City Assessor's records for land adjacent to the subject property, Step 2) multiply the average value per square foot by the number of square feet to be sold, Step 3) reduce the sale price established in third step by 15% if an easement is retained over the property, and Step 4) reduce the sale price established in the third step by an additional 10% in recognition that a quit claim deed is being issued to the purchaser of the City land. In accordance with this past practice, the amount owed the City would be \$17,217.17. The calculations for this example are shown in Attachment B.

Because of recent negative experiences associated with the use of quit claims deeds given in connection with the sale of City land, the City Attorney is exploring and may be requesting at the November 22, 2016 meeting that the City Council consider changing this past practice so that quit claim deeds are no longer use with the sale of City land. If this recommendation is approved, the 10% deduction for quit claim deeds would be eliminated in the calculation of the sale price, and the buyer, additionally, would be responsible to the City for the costs associated with providing transfer of title to the buyer.

ALTERNATIVES:

- 1a. Approve the process of selling right-of-way south of 2700 Lincoln Way, east of 115 South Sheldon, and setting the date of public hearing as December 13, 2016, for first passage of the Ordinance.

It should be emphasized that the sale price for this land will be determined after the November 22, 2016 meeting when the City Council decides whether or not to change the current policy for establishing the sale price for land owned by the City.

- b. Initiate the process for the sale and conveyance of these parcels, set December 13, 2016, as the date of public hearing, and direct the City Clerk to publish notice of these proposed sales.
2. Retain the land and deny the request to purchase the right of way.

CITY MANAGER'S RECOMMENDED ACTION:

This area of right-of-way no longer serves any functional purpose for future street improvements. Property owners are willing to provide an easement for existing utilities and relocation, as necessary, at the developer's expense. Furthermore, the purchase of this land will facilitate the development of the project as proposed by the developer.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

It should be emphasized that the sale price for this land will be determined after the November 22, 2016 meeting when the City Council decides whether or not to change the current policy for establishing the sale price for land owned by the City.

Attachment A



Geographic Information System (GIS) Product Disclaimer: City of Ames GIS map data does not replace or modify land surveys, deeds, and/or other legal instruments defining land ownership & land use nor does it replace field surveys of utilities or other features contained in the data. All features represented in this product should be field verified. This Product is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. The burden for determining accuracy, completeness, timeliness, merchantability and fitness for or the appropriateness for use rests solely on the User.



Proposed Sale of Right of Way 2700 Lincoln Way



Scale: 1 in = 50 ft
Date: 11/8/2016

ATTACHMENT B

**PROPOSED SALE OF CITY RIGHT OF WAY
2700 LINCOLN WAY**

11/8/2016

| Piece | Address | Assessed SF | Assessed Land Value | \$/SF |
|-------|-------------------|-------------|---------------------|----------|
| A | 2700 Lincoln Way | 9,600 | \$ 199,300 | \$ 20.76 |
| B | 115 South Sheldon | 3,145 | \$ 32,400 | \$ 10.30 |

| | |
|------------------------|-----------------|
| Average SF Cost | \$ 10.30 |
|------------------------|-----------------|

| Property for Proposed Sale | Sale Area | Average SF Cost | Value | Amount Minus 10% for Quit Claim Deed | Amount Minus 15% for Easement | Amount Minus 25% for QCD & Easement |
|--|-----------|-----------------|--------------|--------------------------------------|-------------------------------|-------------------------------------|
| Area Behind 2700 and in Front of 115 South Sheldon | 2,228.76 | \$ 10.30 | \$ 22,956.23 | \$ 20,660.61 | \$ 19,512.79 | \$ 17,217.17 |