

ITEM # 20
DATE 1/22/2008

COUNCIL ACTION FORM

SUBJECT: REQUEST TO APPROVE PURCHASE AGREEMENT FOR PROPERTY AT 443 S. MAPLE AVENUE IN CONNECTION WITH THE CITY'S FLOOD BUY-OUT PROGRAM

BACKGROUND:

As part of the City's 1990-96 Flood Recovery Buy-out Program, one of the major goals of the program was to attempt to acquire and demolish all of the properties that were identified to be located within the 1% annual change flood (100-year flood) and the floodway fringe. However, the disaster grant assistance mandated that participation in the program be on a voluntary basis only. During this time, the City was able to purchase and demolish 28 of the 33 eligible properties. Of the five (5) remaining properties, three (3) are located directly within the floodway fringe. As flood buy-out dollars are no longer available through the Emergency Management Agency (FEMA), City staff has determined that it would be in the best interest of the City's floodplain management to pursue purchasing and demolishing these remaining three (3) properties when the opportunity avails itself.

One (1) of the three (3) remaining property owners approached the City about purchasing their property located at 328 S. Russell and the City was able to acquire the property this past March utilizing the funds through the City's Community Development Block Grant Program (CDBG). The property was demolished this past summer as part of a fire and rescue training by the City Fire Department.

The City now has the opportunity to purchase and demolish one (1) of the two (2) remaining properties located in the floodway fringe. The surviving heirs of the property at 443 S. Maple have been working with both the Legal Department and the Inspections Division over the last year to address the structural concerns of the property and to finalize the property estate in order to sell it to the City of Ames. In the meantime, the Housing Division has been working to utilize CDBG funds to acquire and demolish the property. However, in working through the environmental approval process with HUD and the State Historic Office, the timeframe to possibly purchase this property using CDBG funds would not likely occur until next spring.

Unfortunately, the surviving heirs are very anxious to complete this transaction as soon as possible and are unlikely willing to wait until next spring before seeking other avenues to sell the property. Therefore, staff would like to proceed with an offer to purchase the property in the amount of \$13,100. We are requesting approval to utilize the Council Contingency fund, which has a fund balance of approximately \$50,000.

ALTERNATIVES:

1. The City Council can approve the purchase agreement for the property located at 443 S. Maple Avenue from the surviving heirs of the estate of Donald Jackman in connection with the City's Flood Buy-out Program.
2. The City Council can deny approval of the offer to purchase.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council approve Alternative #1. This alternative approves a resolution approving the purchase of 443 S. Maple as outlined in the Purchase Agreement.

CAF APPROVAL

SS MS BK _____ SL _____

DM DM JP _____

To be sent to: