

ITEM # 39  
DATE 06-24-08

### COUNCIL ACTION FORM

**SUBJECT: CONVEYANCE OF ALLEY RIGHT-OF-WAY IN BLOCK 2 LEE'S ADDITION, AMES, IOWA (EAST/WEST ALLEY BETWEEN 11<sup>TH</sup> STREET, 12<sup>TH</sup> STREET, GRAND AVENUE, AND WILSON AVENUE)**

#### **BACKGROUND:**

The owners of the property at 1112 Grand Avenue have requested that the remaining southern 8 feet of the alley right-of-way in Block 2 Lee's Addition, Ames, Iowa be sold to them. This alley directly abuts their property. This alley was vacated through Ordinance No. 3166 on April 14, 1992; however it is utilized by utilities. A plat map of the area is attached for reference.

The entire east/west alley was vacated and the north 8 feet were sold through prior City Council action. The northernmost 6 feet was sold in 1992 and the 2 feet south of that was sold in 2002. These portions (total 8 feet by 100 feet) were sold to the adjacent property owner to the north (1118 Grand Avenue) for a total amount of \$614.11.

According to City policy for disposing of City right-of-way, the adjusted value of these 800 square feet of right-of-way is \$2,124.00. This value was determined by taking the value of adjacent property and in accordance with City policy, deducting 10% for quit claim deed and deducting 15% for maintaining easements on the property for access to existing utilities. A utility right of way permit and easement would need to be retained in order to maintain access to the existing utilities

The owners of 1112 Grand Avenue have inquired about the cost difference between the 1992/2002 sale of the northern 8 feet of the alley (\$614.11) compared to the cost to purchase the southern 8 feet of alley (\$2,124.00). The City Assessor's office does not track individual lot sales, however as a whole, land value has increased approximately 10% over the past six years. Staff was unable to determine why there is such a large cost differential.

#### **ALTERNATIVES:**

1. Agree to consider the sale and conveyance of the south 8 feet of the west 100 feet of the vacated alley that abuts 1112 Grand Avenue for \$2,124.00 and set the date of public hearing as July 8, 2008.
2. Agree to consider the sale and conveyance of the south 8 feet of the west 100 feet of the vacated alley that abuts 1112 Grand for an amount as determined by City Council and set the date of public hearing as July 8, 2008.

3. Do not agree to consider the sale and conveyance of the south 8 feet of the west 100 feet of the vacated alley that abuts 1112 Grand Avenue.

**MANAGER'S RECOMMENDED ACTION:**

In conformance with the Council's established policy for valuing excess City land, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby agreeing to consider the sale and conveyance of the south 8 feet of the west 100 feet of the vacated alley that abuts 1112 Grand Avenue for \$2,124.00 and setting the date of public hearing as July 8, 2008.

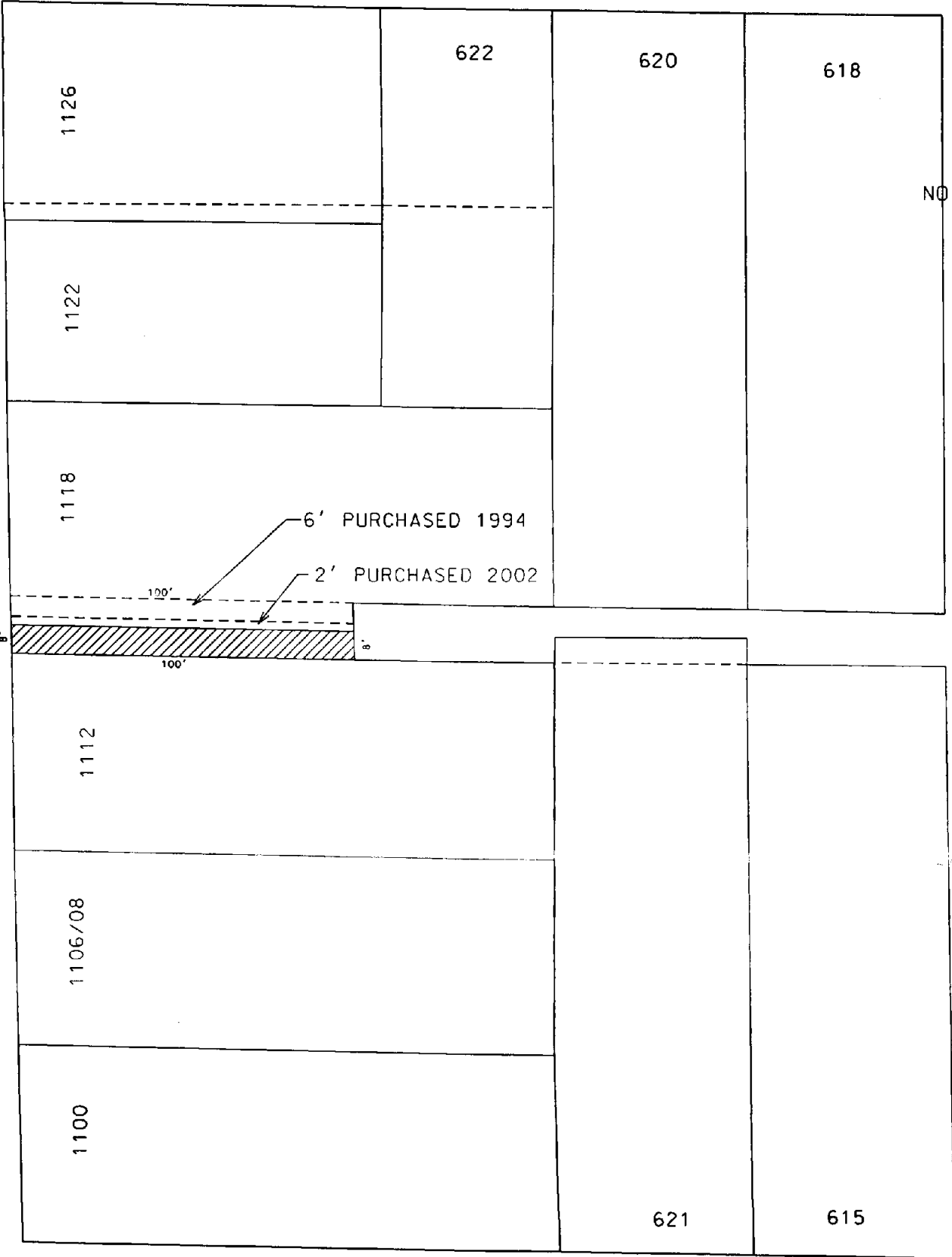
It is understandable that the abutting property owner desires to purchase this land at a price similar to that which was charged for the northern eight feet of this alley in 1992 and 2002. Staff has not been able to confidently determine why that property was valued at only \$611. Should Council desire to treat the abutting property owners the same, however, then the southern portion of this vacated alley could also be sold for a similar price.

12TH ST

N



NO SCALE



GRAND AVE

ALLEY

11TH ST