

COUNCIL ACTION FORM

SUBJECT: SALE OF RIGHT OF WAY AT 122 NORTH DAKOTA AVENUE

BACKGROUND:

The developer of 122 North Dakota Avenue formally requested the purchase of a portion of right of way west of 122 North Dakota Avenue to accommodate additional site grading. That would allow the developer to straighten out the proposed building and shift the drive/parking further west and greatly reduce the height of required retaining walls. In addition, this would facilitate directing storm water in that area to the developer's proposed detention pond as they will have the capacity. This land totals 7,793 square feet in area. Attachment A shows the general location of this right of way, as well as the two building alternatives being considered by the developer.

Staff contacted all right-of-way users and found no facilities within this requested area. Further, neither the City nor any of the registered right-of-way users have future plans for use of this area.

The City's Council's approved policy for sale of City land is to establish the sale price as follows:

Step 1 – Determine the average value per square foot from the City Assessor's records for land in the area of 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 by 15% if an easement is retained over the property. That is not applicable to this case.

Step 4 – Reduce the sale price established by (an additional) 10% in recognition that a quit claim deed is being issued to the purchaser of the City land. This step was recently confirmed by the City's Legal staff.

In accordance with this established policy, the amount owed to the City for purchase of this land would be \$32,884.36. The calculations for this example are shown in Attachment B.

This area was originally obtained by the Iowa Department of Transportation (DOT) on June 15, 1948 in conjunction with what was then US Highway 30. The roadway easement was recorded at that time. The DOT turned over the right-of-way easement to the City by quit claim deed recorded with Story County on August 17, 1993.

ALTERNATIVES:

- 1a. Approve the process of vacating and selling right-of-way west of 122 North Dakota Avenue and setting the date of public hearing as August 22, 2017.

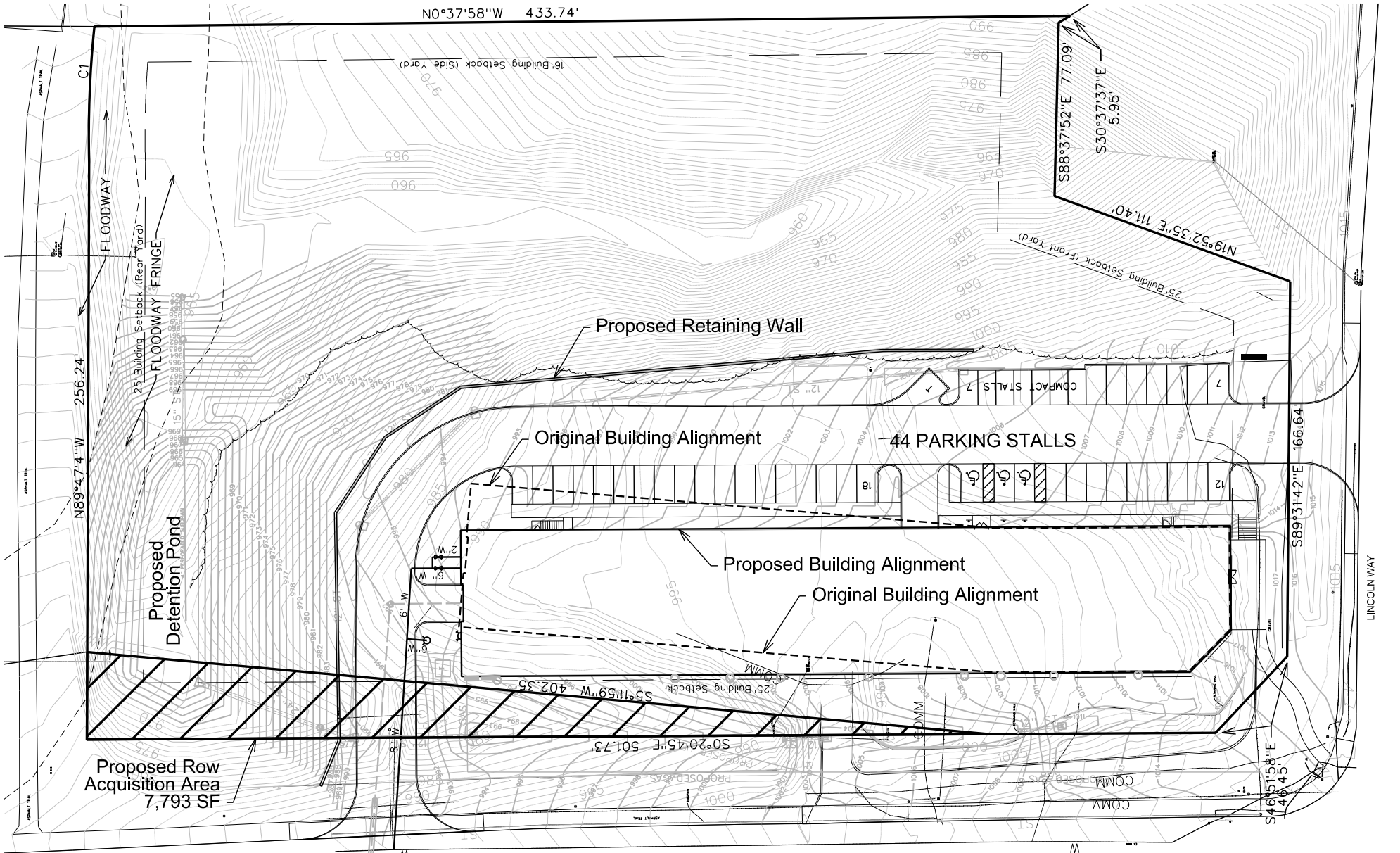
- b. Initiate the process for the sale and conveyance of this parcel, set August 22, 2017, as the date of public hearing, and direct the City Clerk to publish notice of this proposed sale.
2. Retain the land and deny the request to purchase the right-of-way.

CITY MANAGER'S RECOMMENDED ACTION:

The sale of this City-owned land will facilitate development of this project as desired by the developer. The City would receive a fair market value for the land, and no right-of-way user would be adversely affected.

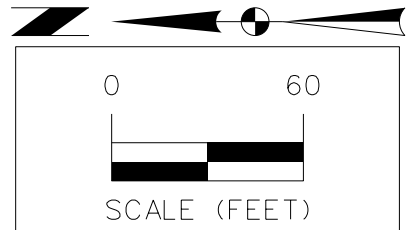
Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

N0°37'58"W 433.74'



NORTH DAKOTA

122 NORTH DAKOTA AVENUE APARTMENTS
 ROW ACQUISITION EXHIBIT
 AMES, IOWA



PROPOSED SALE OF CITY ROW
Adjacent to 122 North Dakota Avenue
8/8/2017

Address	Assessed SF	Assessed Land Value	\$/SF
122 N. Dakota Avenue	154000	533800	\$3.47
4320 Westbrook Drive	246577	1130690	\$4.59
4211 Lincoln Swing	211702	1318300	\$6.23
220 Raphael Avenue	170125	778800	\$4.58
235 Sinclair Avenue	101042	463400	\$4.59
Average Square Foot Cost			\$4.69

ROW Area to be vacated/sold

7793

\$36,538.18 cost of land/ROW

\$32,884.36 Less 10% for Quit Claim Deed