



To: Mayor & City Council
From: Mark O. Lambert, City Attorney
Date: April 9, 2024
Subject: Mary Greeley Medical Center Property Sale

Mary Greeley Medical Center (MGMC) is planning to sell real property at 2310 East 13th Street in Ames to Hunziker Construction Services, Inc. for \$470,000.

Although the Iowa Code and the Ames Municipal Code both authorize the city hospital to sell its property on its own without Council approval, the situation is complicated by the fact that the title to MGMC's properties are in the name of "The City of Ames, d/b/a Mary Greeley Medical Center, a city hospital." Because of this, the City Legal Department has advised MGMC that, in addition to the MGMC Board of Trustees approving a sale, it is best for the City Council to also approve the sale of any MGMC property.

The Iowa Land Title Standards tells lawyers who are reviewing abstracts to document that a city council has passed a resolution approving the sale of city property. At times, MGMC has sold properties without Council involvement, but situations have arisen where when the property is being sold again later, and a lawyer requests the Council to pass a resolution after the fact giving its approval to the sale, to ensure that the title is clear. (Other attorneys have accepted the City's explanation that MGMC has the authority to sell property on its own, after City staff has pointed out the law to them). **However, by having the Council approve the sale in conjunction with the MGMC Board of Trustees approving the sale, this should avoid the Council having to retroactively approve the sale of property down the road to satisfy an attorney reviewing an abstract.**

MGMC has had an appraisal done of the property by Kyle R. Pedersen, MAI, Certified General Real Property Appraiser of Urbandale, which has been reviewed by the City Attorney. Mr. Pedersen determined the fair market value of the property is \$470,000. MGMC Vice President and CFO Gary Botine has stated that Hunziker has agreed to pay that amount for the property.

A resolution was passed on March 26, 2024, setting the date of public hearing for April 9, 2024.