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Muscatine, IA 52761-3840
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COMMUNITY DEVELOPMENT

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

MEMORANDUM

To: Mayor and City Council Members
From: Andrew Fangman, City Planner
Cc: Gregg Mandsager, City Administrator
Dave Gobin, Community Development Director
Date: January 3, 2019
Re: Resolution Authorizing the Sale of and Executing a Deed of Surplus City Property (1111 & 1113 Nebraska Street)

The City of Muscatine has accumulated a number of parcels of land for which the continued public ownership of no longer serves any useful purpose. In order to return these parcels to a useful purpose, restore them to the tax roll, and to reduce maintenance costs associated with these parcels to the City, the City Council has previously declared a number of City owned parcel as surplus and directed City Staff to actively seek the sale of these surplus properties.

On December 6th City Council approved a purchase agreement with Habitat for Humanity for the purchase of two adjoining surplus city owned parcel located at 1111 Nebraska St and 1113 Nebraska St. The City will sell these parcels to Habitat for Humanity at deeply discounted price, in exchange for a binding commitment from Habitat for Humanity to within a year constructed one new single-family home for a qualifying low-income household at this location.

In 2006 the City of Muscatine condemned and then demolished a home at 1111 Nebraska Street. As with all nuisance abatement actions taken by the City, the property owner was billed for the cost of this demolition. When they did not pay, a special assessment covering the demolition costs was placed on this property. By 2014 this and other property taxes remained unpaid, and the County deed the property over to the City, so that City could recover abatement costs associated with this property.

The City acquired 1113 Nebraska Street in 2018 in exchange for another surplus parcel located in the vicinity of the former Washington School. The previous owner demolished a single-family home located at 1113 Nebraska Street in 2005. The City acquired this parcel with the intent of combining it with 1111 Nebraska Street with intent of creating a single buildable parcel for a single-family home.

Separately these two parcels are too small narrow, 30' wide and 4,200 square feet and 40' and 5,600 square feet, to build a home and meet modern zoning setback and building code requirements. Combined, these two parcels create an ideally sized building site.

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

A purchase price of \$500 has been negotiated. The cost to the City of processing the sale of a surplus property is \$250 and the cost of processing the necessary conditional use permit is \$250. As such a sale price of \$500 was established to ensure the cost to the City of completing this transaction does not exceed its sale price. Selling this surplus property to Habitat for Humanity at this discounted price will benefit the community in the in two major ways.

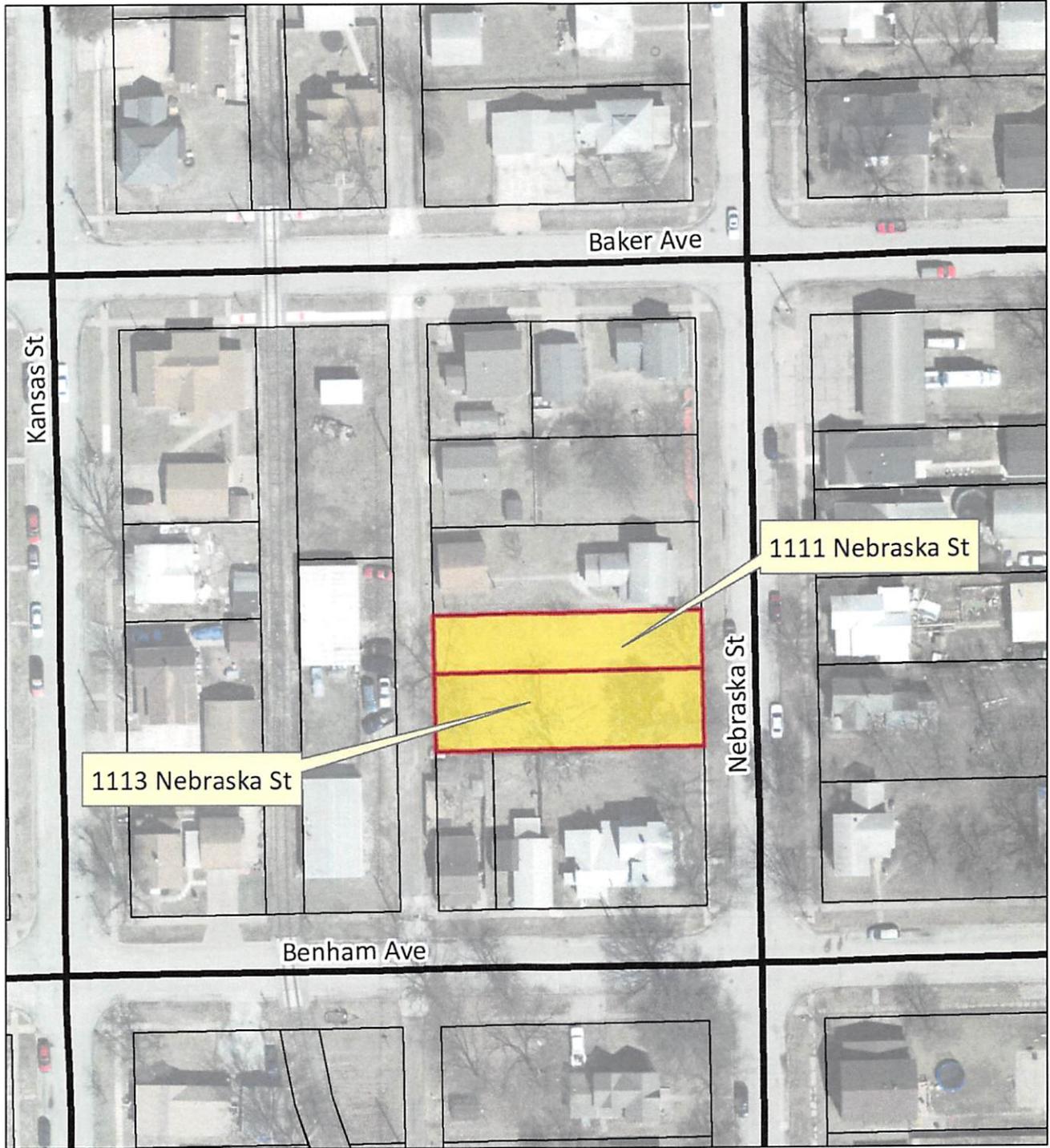
Providing this lot Habitat for Humanity at this price is a concrete step that the City can take towards the critical goal increasing the supply of high-quality affordable homes. As Habitat for Humanity is a non-profit the savings on land acquisition costs that they would realize under this proposed purchase agreement will directly go towards providing affordable housing.

Returning these properties to the tax roll with a new home on them as soon as possible, is the most effective for the City recover what it has spent on demolition and maintaining these parcels. The cost of demolishing the house that stood at 1111 Nebraska Street significantly exceeds the value of these two parcels. As such the only way for the City to recover these costs is by these parcels back on the tax rolls with a new home on it.

Because the City's paramount concern in the disposal of these surplus property is getting a new home constructed in a timely manner, this purchase agreement commits Habitat for Humanity to start construction on a new home within one year of the completion of this transaction. If construction does not begin within a year, Habitat for Humanity would be required to deed the property back to the City at no cost. This agreement contains also mechanism by which this one year deadline to begin construction can be extend by mutual extent.

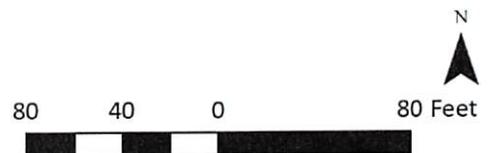
Supporting Documents

1. Map
2. Purchase Agreement
3. Resolution Authorizing the Sale of and Executing a Deed of Surplus City Property
4. Resolution Executing a Deed



Legend

- Surplus City Parcels
- Parcel Lines



Date Source: Muscatine Area Geographic Information Consortium and City of Muscatine
 Prepared by: Andrew Fangman, City Planner
 Date: November 29, 2018

RESOLUTION NO. _____

A Resolution Authorizing the Sale of
City Property to Muscatine County Area Habitat for Humanity, Inc.

WHEREAS, as Resolution was adopted by the City Council of Muscatine, Iowa, on December 20, 2018, concerning the proposed sale of all the City's right, title, and interest in and to the real property described in the copy of the Deed attached to this Resolution and incorporated by reference; and

WHEREAS, the Resolution provided that notice of intention to sell the real property should be given by publication of a Public Notice in *The Muscatine Journal* no less than 4 or more than 20 days before the City Council meeting to be held on January 3, 2019, and the notice was published as specified in the Resolution and as required by law; and

WHEREAS, the Resolution provided for a public hearing on the proposed sale of real property, and such public hearing has been held; and

WHEREAS, the City Council of Muscatine, Iowa, on December 6, 2018 approved a purchase agreement between City of Muscatine and Muscatine County Area Habitat for Humanity, Inc. for \$500.

IT IS, THEREFORE, RESOLVED, by the City Council of Muscatine, Iowa, as follows:

1. The City of Muscatine, Iowa, will sell and convey all its right, title, and interest in and to the real property described as: **the north 40 feet of Lot 2, Block 23 of Abraham Smalley's Addition to South Muscatine, and Addition to the City of Muscatine, Muscatine County, Iowa; and the south half of Lot 3, Block 23 of Abraham Smalley's Addition to South Muscatine, and Addition to the City of Muscatine, Muscatine County, Iowa., to Muscatine County Area Habitat for Humanity, Inc. for \$500.**

2. The Mayor is authorized and directed to sign the Deed for the conveyance identified above, and the City Clerk is authorized and directed to attest to the Mayor's signature; and will be in substantially the same form as the copy of the Deed attached to this Resolution as "Exhibit A".

4. The deed will be delivered upon receipt of \$500.

5. Any resolution or part thereof in conflict or inconsistent with this Resolution is repealed.

PASSED, APPROVED, AND ADOPTED on January 3, 2019.

(CITY SEAL)

Diana L. Broderson, Mayor

ATTEST:

Gregg Mandsager, City Clerk

Prepared by/Return to: Andrew Fangman 215 Sycamore St Muscatine IA 52761 (563) 262-4141

STATE OF IOWA)
) ss: **CERTIFICATE**
MUSCATINE COUNTY)

I, Nancy Lueck, Director of Finance of the City of Muscatine, Iowa, certify that true copies of the following documents are attached to this Certificate:

- a. Resolution No. _____ concerning a proposed sale of City property, with Public Notice attached.
- b. Affidavit of Published Notice.
- c. Resolution No. _____ authorizing the sale of City property and approving the attached Deed.
- e. Original Deed.

These documents relate to the vacation and sale of property in the City of Muscatine, Iowa; the Ordinance and Resolutions were duly adopted and approved by the City Council of Muscatine, Iowa; and the originals are on file at City Hall in Muscatine, Iowa.

Nancy Lueck, Director of Finance

Signed and sworn to before me on _____, 2019.

Notary Public in and for the
State of Iowa

Prepared by: Andrew Fangman, 215 Sycamore Street, Muscatine, IA 52761; 563.262.4141
Return and Tax Statement to Muscatine County Area Habitat for Humanity, Inc., P.O. Box 49,
Muscatine, IA 52761

WARRANTY DEED

The City of Muscatine, Iowa, a municipal corporation situated in Muscatine County, Iowa, for valuable consideration, transfers and conveys to Muscatine County Area Habitat for Humanity, Inc. all its right, title, and interest in the following real property in Muscatine County, Iowa:

The north 40 feet of Lot 2, Block 23 of Abraham Smalley's Addition to South Muscatine, and Addition to the City of Muscatine, Muscatine County, Iowa;

and

The south half of Lot 3, Block 23 of Abraham Smalley's Addition to South Muscatine, and Addition to the City of Muscatine, Muscatine County, Iowa;

Exempt from transfer tax per Iowa Code Section 428A.2(21).

The City covenants with the grantee, its successors and assigns, to warrant and defend the real property against the lawful claims of all persons claiming by, through, or under the City.

IN WITNESS WHEREOF, the City of Muscatine, Iowa, has caused this instrument to be executed in its corporate name by its Mayor and City Clerk and its seal to be affixed on January 3, 2019.

CITY OF MUSCATINE, IOWA

(CITY SEAL)

By _____
Diana L. Broderson
Mayor

ATTEST:

Gregg Mandsager
City Clerk

STATE OF IOWA, MUSCATINE COUNTY, ss.

This instrument was acknowledged before me on _____, 2019, by Diana L. Broderson and Gregg Mandsager as Mayor and City Clerk, respectively, of the City of Muscatine, Iowa.

Notary Public in and for the State of Iowa