



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 7/15/2021

City Council

STAFF

April Limburg, Planner

SUBJECT:

A Resolution Declaring 704 Spring Street Surplus Property and Authorizing the Donation of Said City Property to the Community Foundation of Greater Muscatine

EXECUTIVE SUMMARY

In order to facilitate the demolition of a dangerous and unsafe building and to return the property to a beneficial use, the City of Muscatine has taken title to the parcel located at 704 Spring St from John and Ann Giovanazzi. The long-term City ownership of this parcel serves no public purpose, and in order to dispose of this parcel and return it to beneficial use it must be declared surplus. The property will then be donated to the Community Foundation of Greater Muscatine for a Homes for Iowa Project.

STAFF RECOMMENDATION

Staff recommends approval of the attached resolution to declare the parcel surplus property and execute the deed for conveyance to the Community Foundation of Greater Muscatine (CFGM) via the Community Foundation Real Estate, LLC.

BACKGROUND/DISCUSSION

Under a previous agenda item, the City has taken ownership of the property located at 704 Spring Street. The property has been vacant for several years and the structure has deteriorated to the point where it is unsafe. A notice to abate by demolition or repair was issued by the City to the property owners, who determined repair of this structure was not financially viable and demolition costs would exceed the likely fair market value of this parcel as a vacant lot. As a result, the owners offered to Quit Claim Deed the property to the City.

In the Fiscal Year 2021-2022 Budget, \$100,000 was budgeted for the demolition of dangerous and unsafe buildings. The severe state of deterioration of the house at 704 Spring made this structure a priority for demolition once the funds became available. The estimated cost demolition at this site is more than \$15,000.

The Community Foundation of Greater Muscatine (CFGM) approached the City last year about partnering to pilot a Homes for Iowa project. After looking at the City owned lots appropriate for development and conferring with Homes for Iowa on the placement requirements, CFGM requested the parcel located between Bond and Taylor streets adjacent to Taylor Park for the placement of one home to be sold to a family earning not more than 100% of the area median income (\$91,654 for a family of

4). The Council approved the authorization of donating the parcel to CFGM in February of 2021. Unfortunately development issues prevent the CFGM from utilizing this site at this time.

The City and CFGM have been cooperating to find another suitable location for the placement of the Homes for Iowa unit. Both the City and CFGM agree that the property located at 704 Spring Street would be suitable for such a placement.

CFGM desires to take immediate ownership of this parcel and will demolish the existing structure to facilitate placement of a new home by the end of this year.

Partnering with the Foundation on this project supports the City's goals to increase the supply and quality of housing, support investment in a target neighborhood, and demonstrates the use of the Homes for Iowa Program to meet the demand for homeownership units in Muscatine.

CITY FINANCIAL IMPACT

Approval of this action will expedite the return of this property to a useful purpose and contribution to the tax base.

ATTACHMENTS

1. Exhibit A: Description of Property
2. Resolution Declaring Surplus and Authorizing Donation
3. Warranty Deed in favor of Community Foundation Real Estate, LLC

Exhibit A

Muscatine County Property Tax Parcel Identification Numbers as follows:

0835284021 (704 Spring St)

704 Spring St



RESOLUTION NO. 2021-0244

A Resolution Declaring 704 Spring Street Real Estate as Surplus Property and Authoring the Execution of a Deed to Said Described Real Estate to the Community Foundation of Greater Muscatine

WHEREAS, the City Council of Muscatine, Iowa, does hereby deem the following real estate parcel as surplus:

Lot five (5) in Block one hundred fifty (150) in the City of Muscatine situated in Muscatine County, Iowa.

WHEREAS, as Resolution was adopted by the City Council of Muscatine, Iowa, on July 15, 2021, concerning the proposed transfer of all of the City's rights, title, and interest in and to the real property described in the copy of the Deed "Exhibit A" to this Resolution and incorporated by reference; and

WHEREAS, due notice setting forth the time and place for hearing on said proposal of said proposal to declare the property surplus and convey said real property to the Community Foundation of Greater Muscatine was given as provided for 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, in accordance with said notice, those interested in said proposed conveyance, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council of the City of Muscatine, Iowa at a public hearing held July 15, 2021; and

WHEREAS, the City Council of Muscatine, does hereby declare the property to be surplus and for it to be in the best interest of the public to dispose of the described real estate located in Muscatine, Iowa,

WHEREAS, the City Council of the City of Muscatine, Iowa, approves the transaction between the City of Muscatine and Community Foundation of Greater Muscatine doing business as Community Foundation Real Estate, LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA, as follows:

1. The City of Muscatine, Iowa, will convey its rights, title, and interest in and to the real property described in the copy of the deed attached to this Resolution marked "Exhibit A" to the Community Foundation of Greater Muscatine.
2. The deed will be delivered upon execution.

3. The deed will be signed by the Mayor and attested by the City Clerk will be in substantially the same form as the copy of the deed attached as "Exhibit A" to this Resolution; and will give title of the property to Community Foundation Real Estate, LLC.
4. Any Resolution or part thereof in conflict or inconsistent with this Resolution is repealed.

PASSED, APPROVED AND ADOPTED this 15th day of July 2021.

**BY THE CITY COUNCIL OF THE
CITY OF MUSCATINE, IOWA**

Diana L. Broderson, Mayor

Attest:

Carol Webb, City Clerk

Exhibit A

Prepared by: April Limburg, 215 Sycamore Street, Muscatine, IA 52761; 563.262.4141
Return and Tax Statement to: Community Foundation of Greater Muscatine, 208 W 2nd St, Muscatine IA
52761-0071

WARRANTY DEED

The City of Muscatine, Iowa, a municipal corporation situated in Muscatine County, Iowa, for valuable consideration, transfers and conveys to the Community Foundation Real Estate, LLC all its rights, title, and interest in the following real property in Muscatine County, Iowa:

Lot five (5) in Block one hundred fifty (150) in the City of Muscatine, situated in Muscatine County, Iowa.

Exempt from transfer tax per Iowa Code Section 428A.2(6).

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 Administrator and its seal to be affixed on February 18, 2021.

CITY OF MUSCATINE, IOWA

(CITY SEAL)

By: _____
Diana L. Broderson
Mayor

ATTEST:

Carol Webb
City Clerk

Exhibit A

STATE OF IOWA, MUSCATINE COUNTY, ss.

This instrument was acknowledged before me on _____, 2021, by Diana L. Broderson and Carol Webb as Mayor and City Clerk, respectively, of the City of Muscatine, Iowa.

Cinda Hilger, Notary Public in and for the State of Iowa