



HISTORIC
FRANKLIN
TENNESSEE

ITEM #4
CIP
10-14-10

MEMORANDUM

October 11, 2010

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
David Parker, City Engineer/CIP Executive

SUBJECT: **Purchase of 306 5th Ave North Property**
Tax Map 63N, Group D, Parcel 16.00
Hillsboro Road Improvements Project

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with the information to consider the purchase of the property at 306 5th Ave North as a part of the property acquisition for the Hillsboro Road Improvements Project.

Background

On July 14, 2009 by Resolution 2009-22, as a part of the approval of the design concepts for the Hillsboro Road Improvements Project, BOMA approved the acquisition of three (3) properties in their entirety. The property known as 306 5th Avenue North; Tax Map 63N, Group D, Parcel 16.00; is one of these three properties. Due to the property being flooded during the May flood event, the owner of this property; 306 5th Ave. North; decided to sell his property on the open market. This action was taken after the tenant of the property had removed his underground gas tanks. On August 5th, upon becoming aware of this property being placed on the market, staff presented to the realtor of record; Magli Realty Co.; an offer to purchase the property at the list price of \$245,000 contingent upon an appraisal that placed the property fair market value within three percent (3%) of the list price. This offer was also contingent upon approval by BOMA (see attached letter). This action was taken in order to prevent the property from being sold to another individual or entity, being repaired and then sold at a higher cost. The owner accepted this offer as presented.

Staff commissioned both a title search and an appraisal for this property. The appraisal was conducted based on an as existing condition; after flooding. Last week we received the appraisal report from Standifer & Associates, Inc. that indicted the "market value" of the property is \$242,500. The appraised "market value" is within a little over one percent (1%) of the list price of the property.

Financial Impact

The financial impact of purchasing this property at the offered list price is \$245,000. This property purchase is incorporated in the Hillsboro Road Improvements Project funded as a part of the Board-approved Capital Investment Funding Plan.

Options

1. Approve the purchase of 306 5th Avenue North; Tax Map 63N, Group D, Parcel 16.00; at the offered price of \$245,000; or



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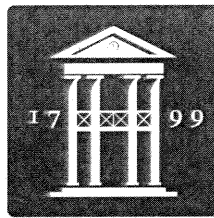
2. Approve the purchase of 306 5th Avenue North; Tax Map 63N, Group D, Parcel 16.00; at the “market value” of \$242,500; or
3. Not approve the purchase of this property at this time.

Recommendation

Staff recommends Option 1; approval of the purchase of 306 5th Avenue North; Tax Map 63N, Group D, Parcel 16.00; in the amount of \$245,000 as offered by staff in the August 5, 2010 letter. Staff feels this is a fair offer and has acted in good faith with the expectation of a savings in cost of the purchase verses there being a delay in taking action.

ADMINISTRATION

David Parker
City Engineer/CIP Executive



John C. Schroer
Mayor of Franklin

Eric S. Stuckey
City Administrator

August 5, 20120

HISTORIC
FRANKLIN
TENNESSEE

Mr. Tom Magli
Magli Realty Co
301 Public Square
Franklin, Tennessee 37064

Re: 306 5th Ave North
Offer to Purchase

Tom,

As I discussed by phone with you on Wednesday, August 4, the City of Franklin is interested in purchasing the property you have listed at 306 5th Avenue North in Franklin, Tennessee. It is my understanding that the list price for this property is \$245,000.00. Therefore, the City desires to purchase this property at this price as hereafter conditioned.

As we discussed, the City has to do due diligence prior to purchase, which means we will have to have an appraisal conducted by a certified appraiser. Further, this offer has to be approved by the Franklin Board of Mayor and Aldermen. Therefore, this offer to purchase the property located at 306 5th Avenue North, Franklin, Tennessee is contingent upon the purchase price of **Two Hundred Forty-Five Thousand and No/100 Dollars (\$245,000.00)** not exceeding by three percent (3%) the fair market value as established by the appraisal to be commissioned by the City, and the approval of the Franklin Board of Mayor and Aldermen.

I appreciate your time in discussing this matter and hopefully we will be able to conclude the property purchase transaction in a relatively reasonable time frame. Should you have any questions concerning this matter, please feel free to call me at 550-6660.

Sincerely,

David Parker
City Engineer/CIP Executive

C: Eric Stuckey, City Administrator