



MEMORANDUM

July 6, 2011

TO: Board of Mayor and Aldermen

FROM: Ben Worley Right of Way Agent/Project Manager
Eric J. Gardner, P.E., Director of Engineering
Eric S. Stuckey, City Administrator
David Parker, P.E., City Engineer

SUBJECT: Discussion concerning the Hillsboro Road property acquisitions.

Purpose

The purpose of this memo is to inform the Board of Mayor and Alderman (BOMA) of options for purchase of entire properties or right of way and easements needed for various properties along Hillsboro Road.

Background

331 5th Avenue North. Previously staff had brought to BOMA the option of purchasing the property located at 331 5th Avenue North. The property owner had offered to sell the property to the city for \$300,000.00. BOMA was not willing to purchase the property for the purchase price listed above. The property owner came back to BOMA asking them to reconsider for a lower selling price of \$245,000.00. BOMA requested to have the appraised value of the effects of the right of way and easements needed for Hillsboro Road Improvements prior to making a decision.

At this time we have the appraised value of the right of way and easements required for the Hillsboro Road Improvements project. The appraised value is \$50,800.00, which includes damages to the property. The property owner has made a counteroffer of \$55,800. The property owner asked for an additional 10% for lot improvements that will need to be made if only purchasing right of way and easements. Staff feels if BOMA decides to make a partial purchase the counteroffer is reasonable.

Other Properties as listed in Resolution 2009-22. Resolution 2009-22 outlined three properties that were to be acquired in their entirety. One of the properties located at 306 5th Avenue North was approved for purchase by BOMA on October 26, 2010. Acquisition was completed and the structure and hardscape features have been removed. At a previous CIC meeting, BOMA asked staff to talk with the property owners of the other two properties and ask if they had a preference to be bought out and relocated or if they wanted to stay.

Staff has had multiple meetings with both property owners and the property owner at 310 5th Avenue North has requested the city acquire the property. The property owner at 302 5th Avenue North has requested to stay at the current location. In order for them to stay they would need parking on the adjacent lot that the city already purchased to be constructed. This would be a public parking lot that would be on a first come first serve basis or the owners of 302 5th Avenue North could purchase a portion of the City's property at 306 5th Avenue North to construct their own parking lot. Also if the



property owner of 302 5th Avenue North remained, revisions to the design would need to occur as the design has followed the direction of Resolution 2009-22 and utilized this space for some of the utility needs. It is my understanding the property owner(s) is planning to be at the CIC meeting to address BOMA.

Update on Project. Appraisers are working on appraisals; the properties that have right of way will have a review appraisal performed on them. We anticipate receiving the appraisals in the next three months. Staff will continue to meet with property owners and make offers to acquire right of way and easements.

Financial Impact

331 5th Avenue North

Option 1- Acquire only the required right of way and easements needed for the counter offered amount of \$55,800.

Option 2- Acquire the entire property for the amount of \$245,000.

Other Properties as listed in Resolution 2009-22

Option 1- Continue with Resolution 2009-22 and acquire the remaining two properties

Option 2- Acquire the property at 310 5th Avenue as requested by the property owner, build a public parking lot on the property where the city has already acquired that the business located at 302 5th Avenue North would be able to use.

Option 3- Leave the other two businesses as is and build a public parking lot on the property where the city has already acquired that the businesses would be able to use.

Recommendations

331 5th Avenue North

Staff recommends Option 1, acquiring what is needed for the Hillsboro Road Project. If BOMA desires to purchase the remainder for a trailhead or entrance feature into the Hard Bargain/Mt. Hope area, it can be done later and separately at a cost of \$189,200 (\$245,000 - \$55,800).

Other Properties as listed in Resolution 2009-22

Staff recommends Option 1, following in accordance with the direction provided by Resolution 2009-22.