



AGENDA MEMO

8/16/2016 Agenda

TO: Honorable Mayor and City Council

FROM: Jacob Speer, Director of Public Works

SUBJECT: Consider Ordinance Abandoning Excess Armstrong Street Right-of-Way to Abutting Property Owner at 4401 Stanhope

BACKGROUND:

The property owner/developer at 4401 Stanhope would like to purchase the section of right-of-way between his property line and the existing sidewalk along Armstrong. The lot narrows considerably toward the rear of the property. Acquiring this strip of land from the City will allow for an enhanced building footprint. The owner plans to build a new home on the property. The City's usual protocol for residential abandonment requests is to first ask Council to consider whether they are interested in abandoning the subject right-of-way. If so, an appraisal is ordered to determine the fair market value of the land. Following the appraisal, staff presents an abandonment ordinance for Council consideration.

In an effort to expedite the process, the owner had D.W. Skelton & Associates perform an appraisal of the property prior to Council's consideration. The subject property was purchased in April, 2016 by the present owner at a price of \$112.68 per square foot of lot area. The Skelton appraisal valued the City's right-of-way adjacent to the property at \$56.22 per square foot. Historically, we have favored an appraisal methodology where the right-of-way is valued as if it were a part of the abutting lot.

This item was discussed at the July 5, 2016 City Council meeting and Staff was directed to obtain another appraisal in order to better determine the value of the subject tract. Staff has since contacted 3 other appraisers who frequently perform appraisals in this area. Two of the companies were unable to perform an appraisal given their current high work load. The third appraiser quoted a price of \$3,500 to perform the appraisal. Staff felt that fee was excessive and declined to engage their services.

In an effort to keep the issue moving forward in spite of the difficulties in obtaining another appraisal, the owner has offered to pay the City \$115.00 per square foot for the abandoned right-of-way. With the recent purchase price as a solid indicator of market value, staff felt the offer reasonable and prepared the attached ordinance for your consideration.

RECOMMENDATION:

Staff recommends approval of the proposed ordinance to abandon 1,245 square feet of Armstrong Street Right-of-Way to the owner of 4401 Stanhope in the amount of \$143,175.