



TO: Michael C. Van Milligen, City Manager
FROM: Gus Psihoyos, City Engineer *GP*
DATE: December 14, 2015
SUBJECT: Bee Branch Creek Restoration, Property Acquisition

INTRODUCTION

The purpose of this memorandum is to establish the fair market value of the property owned by Morrison Brothers on Washington Street between E. 24th Street and E. 25th Street and seek authorization for the City Manager to begin negotiations to acquire the property required for the Bee Branch Creek Restoration Project. Further authorization is sought to acquire the property through eminent domain proceedings should negotiations fail.

BACKGROUND

In December of 2001, the City Council formally adopted the Drainage Basin Master Plan (DBMP) prepared by HDR Engineering (Omaha, Nebraska). Based on the study, approximately 1,150 homes and businesses in the Bee Branch watershed are at risk of flood damage.

In December of 2004, the City Council established the alignment for the Bee Branch Creek Restoration Project, from 15th and Sycamore Street to 24th and Washington Street, establishing the properties to be acquired for the Bee Branch Creek Restoration Project.

In May of 2011 the City Council authorized the purchase of four additional properties at the confluence of Comiskey Park, the Heritage Trail, and the Bee Branch Project. It was important to address the safety of pedestrians that will travel between the three attractions. The additional property was required to create a safer, attractive connection between Comiskey Park, the Heritage Trail, and the linear park that is the Bee Branch Creek Restoration Project.

In August of 2015, the City Council adopted Resolution 291-15 authorizing the acquisition of 2442-2446 Washington Street and 2450 Washington Street for the Bee Branch Creek Restoration Project.

DISCUSSION

The Bee Branch Creek Restoration Project (Phase 7 of the Bee Branch Watershed Flood Mitigation Project) includes improvements north of E. 24th Street at Washington Street adjacent to Comiskey Park. See Attachment A. One of the Upper Bee Branch

Creek Restoration Project objectives is to create a safer, attractive connection between Comiskey Park, the Heritage Trail, and the linear park that will result from the Bee Branch Creek Restoration Project. In addition, the scope of the larger Bee Branch Watershed Flood Mitigation Project includes the conversion of the alley between Washington Street and Elm Street that runs from E. 24th to E. 25th Street into a green alley, including the reconstruction of the sanitary sewer and water main. The estimated cost of the alley improvements (pervious pavement system, sanitary sewer, and water main), is \$350,000.00.

The reconstructed alley, sanitary sewer, and water main will provide service to just one vacant house, 2496 Washington Street, and six vacant lots (the Property) owned by Morrison Brothers. Therefore, it is prudent to consider acquiring the Property valued at \$98,000 instead of expending \$350,000 to construct the infrastructure improvements that would serve the Property.

Acquiring the Property will result in more space available to the contractors to store materials and equipment, maneuver equipment, and construct the improvements as outlined in the plans. It will allow the public and area residents more use of streets along the project corridor. Because of the narrow project corridor, the construction contractors are currently competing with local residents for off-street parking spaces. The contractors are using areas within the footprint of the project as much as they can. But as the construction moves towards completion, this will shrink so that their need to utilize adjacent streets will increase, especially at E. 24th Street.

Acquisition of the Property will allow for the complete removal of Washington Street between 24th and 25th Street and the removal of the alley that runs from 24th to 25th Street between Washington Street and Elm Street, all of which would result in the elimination of more impervious land cover than what would have been achieved through the reconstruction of the alley as a "green", pervious alley. This would also result in the elimination of the continued costs associated with maintaining the paved street and alley surfaces.

Additional cost savings would also be realized in that soil excavated as part of the creek construction project could be placed as fill over Washington Street between 24th and 25th Street versus hauling the material off site.

Ultimately, following completion of the Bee Branch Creek Restoration Project, the additional green, pervious green space created by the removal of the acquired properties would be utilized to expand the limits and function of Comiskey Park. See Attachment B.

For these reasons, it is in the City's best interest to purchase the property owned by Morrison Brothers along Washington Street between 24th and 25th Street.

Based on the appraisal commissioned by the City, the value of the Property, legally described as Lots 13, 14, 15, 16, 17, N. ½ 18 and 20 of O. S. Langworthy's Addition, Dubuque, Iowa, is \$98,000.00.

RECOMMENDATION

I recommend that the City establish the fair market value of 2496 Washington Street and six vacant lots along the same street between E. 24th and E. 25th Streets at the appraised value of \$98,000.00 and that the City Manager begin negotiations with the property owner. And should negotiations fail, I recommend that the City acquire the property through eminent domain proceedings.

BUDGET IMPACT

The FY2016 Capital Improvements Program (CIP) Budget includes \$3,939,820 for the acquisition of property for the Bee Branch Creek Restoration Project (CIP# 7201654).

Acquiring the Property would result in an estimated \$70,000.00 in savings to the City. This is based on \$350,000 in savings realized by eliminating the green alley and public utilities improvements that would serve the lots along Washington Street offset by the costs associated with purchasing and clearing the Morrison Brothers property and the recently acquired Chamberlain properties on Washington Street between 24th and 25th Streets.

REQUESTED ACTION

I respectfully request that the City Council adopt the attached Resolution:

1. Establishing the fair market value of the Property to be \$98,000.00;
2. Authorizing the City Manager to commence negotiations with the Owner of the Property and any other interested parties for the purchase of the Property for a purchase price which is not less than the fair market value established by this resolution; and
3. Authorizing the City Manager to acquire the property through eminent domain should negotiations fail.

Attach.

Prepared by Deron Muehring

cc: Barry Lindahl, City Attorney

Maureen Quann, Assistant City Attorney

Steve Brown, Project Manager

Deron Muehring, Civil Engineer II