

TO: Michael C. Van Milligen, City Manager
FROM: Gus Psihoyos, City Engineer
DATE: August 11, 2015
SUBJECT: Bee Branch Creek Restoration, Property Acquisition

INTRODUCTION

The purpose of this memorandum is to seek authorization to acquire 2450 Washington Street and 2442-2446 Washington Street, all in Dubuque, Iowa (the Property) for the Bee Branch Creek Restoration Project.

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.

DISCUSSION

The Bee Branch Watershed Flood Mitigation Project includes improvements north of E. 24th Street on Washington Street adjacent to Comiskey Park. In fact, 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 is the Bee Branch Creek Restoration Project. But the scope of the Bee Branch Watershed Flood Mitigation Project also includes the conversion of the alley that currently runs from 24th to 25th Street between Washington Street and Elm Street into a green alley, including the reconstruction of the sanitary sewer and water main. The estimated cost of the green 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 two houses and a duplex. One of the houses is owned by Morrison Brothers and it remains vacant. The other house (2450 Washington Street) and the duplex (2442-2446 Washington Street) are owned by Ms. Patricia Chamberlain who lives in one half of the duplex, renting the other half to a tenant. She rents the house to a family of seven. In addition to the vacant house, Morrison Brothers also owns vacant lots along Washington Street. See Attachment A. The total assessed value of the property on Washington Street between 24th and 25th Street is slightly more than \$226,000.00. Under the current plan, the City would construct improvements totaling \$350,000 to serve property valued at \$226,000.00. Therefore, it is prudent to consider acquiring the two houses, the duplex, and the vacant property instead of constructing the improvements. In addition to the project savings that could be realized if the City acquired the properties along Washington between 24th and 25th Street, there are two additional public uses for the property.

The Bee Branch Creek project corridor allows for very limited space for the multiple construction contractors to store materials and equipment, maneuver equipment, and actual construct the improvements as outlined in the plans. The construction contractors are currently competing with local residents for off-street parking spaces. Some of the area being used by contractors is within the ultimate footprint of the project. So as the work progresses, the demand for real estate will increase, especially so as the work moves towards E. 24th Street. Acquiring the Chamberlain property will result in more space available to the contractors and allow the public and area residents more use of area streets.

Acquisition of the properties would 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 could also 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 could be utilized to expand the limits and function of Comiskey Park.

For these reasons, it seems to be in the City's best interest to purchase the property along Washington Street between 24th and 25th Street owned by Ms. Patricia Chamberlain.

The property negotiations with Ms. Chamberlain have been on a volunteer basis. The discussions have centered on the idea that she is open to the sale of her property as long as she can purchase replacement properties and retain her current tenants. She has been very happy with her tenants and has been charging them rent below the market rate in order to retain them. Ms. Chamberlain has agreed to sell her two properties, 2442-2446 and 2450 Washington Street at a total cost of \$210,000.00. She has also agreed to offer to rent the replacement properties to her current tenants at their current levels for 42 months. As a result, the \$210,000.00 cost for the City to acquire her property corresponds to the costs the City would incur if the Chamberlain property was acquired through the eminent domain process.

An Offer to Buy Real Estate and Acceptance is attached for both 2442-2446 Washington Street and for 2450 Washington Street (the Offers). In accordance with the Offers, the City will purchase 2450 Washington Street for a total cost of \$107,500.00 and purchase 2442-2446 Washington Street for a total cost of \$102,500.00.

RECOMMENDATION

I recommend that the City acquire 2442-2446 Washington Street and 2450 Washington Street for the Bee Branch Creek Restoration Project per the terms of the attached Offers.

BUDGET IMPACT

The purchase price is within the budget established for the property. It will be funded from the FY2013 appropriation of \$2,723,388 for property acquisitions for the Bee Branch Creek Restoration Project (CIP# 7201654).

Acquiring the property along Washington Street between E. 24th Street and E. 25th Street would result in an estimated \$70,000.00 in project savings.

REQUESTED ACTION

I respectfully request that the City Council adopt the attached Resolution approving the two Offers to Buy Real Estate and Acceptance and authorizing acceptance of the Warranty Deed and any other related steps necessary to carry out the terms of the two attached Offers.

Attach.

cc: Barry Lindahl, City Attorney
Maureen Quann, Assistant City Attorney
Gus Psihoyos, City Engineer
Steve Brown, Project Manager