City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MPW

DATE: November 19, 2020

SUBJECT: 224 N Main Street Property Sale and Redevelopment

The City Council approved the RFP for the sale and redevelopment of 224 N Main St on October 12, 2020.

Rowland Real Estate LLC of Clive submitted the only bid for the purchase of the former City Hotel/City Apartments site at 224 N Main Street for $1,000. Information on this property sale was widely circulated by the City and was covered by the Carroll Times Herald and Carroll Broadcasting. 101 unique visitors visited the City's website to view the RFP information on this property sale a total of 111 times during the time that this RFP was posted prior to the submittal deadline.

It is proposed that the Council waive its policy requiring an appraisal prior to sale, since the value of this properly is minimal and bids were solicited by the City.

The City must satisfy the legal requirements for disposing of real estate, pursuant to Section 364.7 Iowa Code (2019). To proceed, the Council must pass a Resolution setting a public hearing on the proposed disposal of its real estate. Notice of the public hearing must be published and a public hearing held at the next meeting. After the public hearing, the Council may adopt the Resolution disposing of its interest in the real estate.

RECOMMENDATION: After deliberation, the Council may approve the Resolution establishing a public hearing for December 14, 2020, for the sale of this property to Rowland Real Estate LLC for $1,000.00.

RESOLUTION NO. _____

RESOLUTION SETTING A PUBLIC HEARING ON THE PROPOSED SALE OF CITY INTEREST IN REAL ESTATE

WHEREAS, Rowland Real Estate LLC has offered to purchase City owned real estate legally described as:

Lot 9 and the South 11 feet of the West 68 feet of Lot 10, Block 37, Second Addition to the City of Carroll, Carroll County, Iowa

WHEREAS, the sale of the City's real estate interest is deemed appropriate; and

WHEREAS, it is proposed to sell the City's interest in the above-stated real estate by Real Estate Contract of Sale to Rowland Real Estate LLC for $1,000 subject to conditions listed in the attached Exhibit A. The sale of this real estate is in the best interest of the City and the Council intends to waive its policy No. 307, requiring an appraisal herein;

WHEREAS, Section 364.7 Iowa Code (2019), requires a public hearing on the conveyance of city interest in real estate.

NOW, THEREFORE, BE IT RESOLVED that a public hearing on the proposed sale of the city's interest in this real estate is set for the 14th day of December, 2020, at 5:15 P.M., in the Council Chamber at the Carroll City Hall at 627 N Adams St, Carroll, Iowa.

Passed and Approved this 23rd day of November, 2020.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk

EXHIBIT A

Conditions of sale

a. The City is selling the Property "As is". The City has completed environmental testing on the Property. The Purchaser was able to find and download copies of the environmental reports for the project on-line during the period of this RFP at https://www.cityofcarroll.com/Redevelopment-Opportunities. Copies are also available from the City upon request.

b. Any tree removal, landscaping, surveying or other work desired by the Purchaser is the responsibility of the Purchaser.

c. Any unknown or unforeseen conditions are the responsibility of the Purchaser.

d. The Purchaser shall keep the Property free of garbage; debris; refuse; building materials; abandoned, non-operational, or junk vehicles; appliances and household furnishings. Yards must be maintained continuously in a healthy manner.

e. The City shall provide a Real Estate Contract of Sale to the Purchaser specifying the terms and conditions of the redevelopment Proposal. A deed will be provided upon completion of the terms and requirements set forth the Real Estate Contract of Sale.

f. Redevelopment shall start within 9 months of the date of the Real Estate Contract of Sale or date otherwise approved and must be completed within 18 months of the date of the Real Estate Contract of Sale.

g. All proposed work requiring permits in accordance with the codes adopted by the City of Carroll must be secured by a licensed registered contractor who is currently registered with the City of Carroll.

h. The sale price is $1,000, of which $100 has been escrowed with the City of Carroll. The Purchaser shall pay the City of Carroll the final $900 at the time the Real Estate Contract of Sale is provided to the Purchaser by the City of Carroll.

i. The purchaser agrees to add architectural details to the proposed building including the addition of small dormers above the front entry doors and off set north and south units 3 feet in front of the middle units. Final design shall be approved by the City Manager prior to the start of construction.

The City of Carroll reserves the right to cancel the Real Estate Contract of Sale for failure to meet the terms of these conditions.

NOTICE OF PUBLIC HEARING
ON PROPOSED SALE OF CITY'S
INTEREST IN REAL ESTATE

In accordance with Section 364.7 Iowa Code (2019), notice is hereby given that the City Council of Carroll, Iowa, will conduct a public hearing on December 14, 2020, at 5:15 P.M., in the Council Chamber at the Carroll City Hall at 627 N Adams St, Carroll, Iowa, concerning the proposed sale of the City's interest in real estate legally described as:

Lot 9 and the South 11 feet of the West 68 feet of Lot 10, Block 37, Second Addition to the City of Carroll, Carroll County, Iowa

The proposed sale is by Real Estate Contract of Sale to Rowland Real Estate LLC for $1,000, subject to condition by the City. The disposal of the above-stated real estate is deemed to be in the best interest of the City of Carroll, Iowa.

At said time and place a public hearing will be conducted on the proposed sale, and at such hearing any person interested may appear and file objections thereto. The City Council shall hear the objections and any evidence for or against the proposal, and forthwith enter of record its decision.

LAURA A. SCHAEFER, CITY CLERK
CITY OF CARROLL, IOWA

Rowland Real Estate LLC

15920 Hickman Road

Box 400 Box 422

Clive, IA 50325

REDEVELOPMENT PROPOSAL

224 N Main St. Carroll

Section 4: Bid Amount $1,000, Check included for 10% = $100.00

Section 5: Enclosed letter from Peoples Bank

Section 6: Proposal to build one 4- plex condo unit with detached garages. Each unit would have separate entrances to their condo. See attached proposed site plan

Section 9: Proposal Evaluation

a) Recent project in Jefferson, Iowa. We build three, 4 unit condo buildings. Total of 12 units.
b) 4 plex condo unit to be build with detached garages. Each unit has its own front and back door.
c) See attached sample photo of buildings built (photo shown is two units not 4)
d) Residential multi family condos
e) $1,000
f) Attached letter from Peoples Bank
g) Each unit has individual entry front and back doors

PROPOSAL TO PURCHASE PROPERTY FOR PRIVATE REDEVELOPMENT

Name of Proposer: Rowland Real Estate LLC

Address: 15920 Hickman Rd Suite 400 Box 422 Clive, IA 50325

Telephone: 515-210-2452

Legal Description: Lot 9 and the South 11 feet of the West 68 feet of Lot 10, Block 37, Second Addition to the City of Carroll, Carroll County, Iowa

Land Purchase Offer Price: $1,000.00

Good Faith Deposit: $100.00

Description of Project or Proposed Use of Property: (For example the type of housing proposed – to be rental or owner occupied, amenities proposed, landscaping planned, etc. This explanation of the housing/development project can be attached as separate page)

See Attached

4 Plex Condo units

Estimated Cost of Improvements:

Funding Source (s): Peoples Bank

Estimated Sale Price or Rental Cost, if applicable: Rent $1,000 a month

Estimated Time For Commencement: 6-12 months

Estimated Time For Completion: 6-12 months

Additional Comments:

The City reserves the right to waive informalities in the sale procedures herein provided and to reject any and all Proposals. If this Proposal is accepted, the City shall provide a Real Estate Contract of Sale to the Proposer specifying the terms and conditions of the redevelopment proposal. A deed will be provided upon completion of the terms and requirements set forth within.

In the event this Proposal is accepted by the City Council and the Proposer fails or refuses to enter into a contract of sale for the property within 45 days after notification of acceptance of proposal, the City may terminate all rights of the Proposer hereunder, and, in such event, may retain the good faith deposit of the Proposer as liquidated damages and the City may proceed with other arrangements or plans for the sale of the Property to which this Proposal relates.

The City may withdraw from the sale of the Property at any time prior to conveyance of title and possession of said Property by reason of the City being enjoined or prevented from so doing by any order or decision or act of any judicial, legislative, or executive body having authority in the premises, or by reason of the City not being able to transfer unencumbered title. In such case, the deposit can be refunded to the Proposer.

Failure by the Proposer to perform the requirements set forth above in the required time frame will result in the Property reverting back to the City of Carroll. In such event, the City may retain all improvements and funds paid by the Proposer.

Sale, assignment, or transfer of the Real Estate Contract by the Proposer, prior to the completion of the development requirements, must have prior written approval by the City of Carroll.

If you have questions, contact Mike Pogge-Weaver, 627 N Adams St, Carroll, IA 51401; (712) 775-7505 or email mpoggeweaver@cityofcarroll.com.

Rowland Real Estate
Name of Proposer (type or print)

Signature

11/9/2020
Date

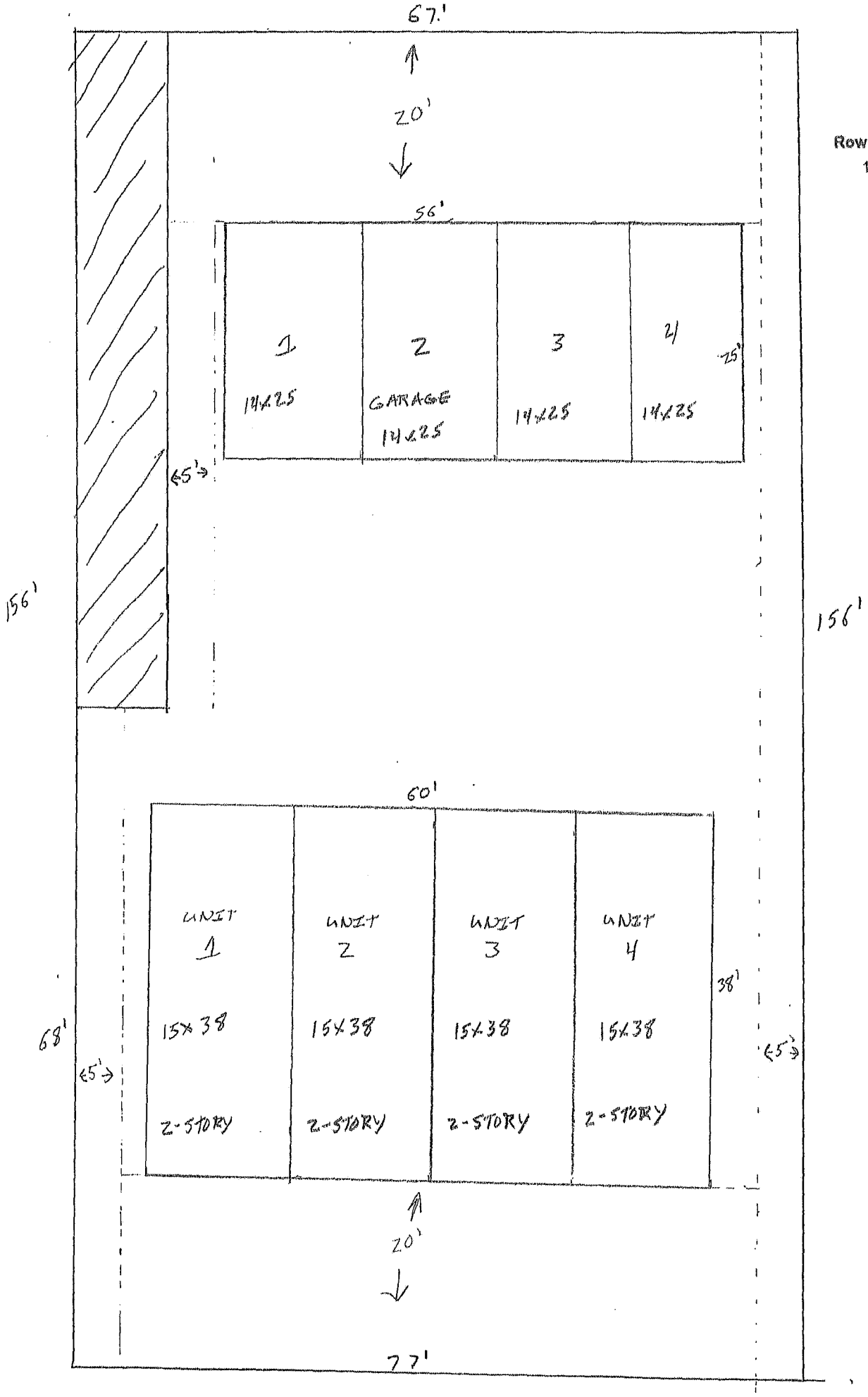
Rowland Real Estate LLC
15920 Hickman Road
Suite 400 Box 422
Clive, IA 50325

Rowland Real Estate LLC

15920 Hickman Road
Suite 400 Box 422
Clive, IA 50325

3/4=10'

Rowland Real Estate LLC
15920 Hickman Road
Suite 400 Box 422
Clive, IA 50325



Member FDIC

PEOPLES BANK

EQUAL HOUSING LENDER

Andrew Rowland
1155 SE Grant Woods Court
Waukee, IA 50263

October 20, 2020

Dear Mr. Rowland:

Based on our previous experience financing your successful development on North Olive Street in Jefferson and after learning more about your plans for a similar development in Carroll, Peoples Bank would like to convey our interest in supporting such a project. Our interest is subject to the accuracy of all of the information, data, representations, exhibits and other material submitted in connection with your development. Our interest is also conditioned on the full underwriting and due diligence of the request.

Sincerely,

John P. Rigler III

John P Rigler III
President & COO
Peoples Bank
Direct: 515-327-7727
jprigler@mypeoples.bank