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November 13, 2014

MEMORANDUM

TO: Finance Committee Members

FROM: Gary Elson

Assistant City Attorney

RE: Castlegate Drive

Castlegate Drive is located within a City owned right of way in Ward 5. The paved part of Castlegate Drive terminates at the intersection of Damsel Lane. From the termination point to Forest Drive it is an unimproved grassy area. One side of the grassy area is the property at 1415 Damsel Lane, which is improved with a single family dwelling. On the other side is a large parcel, which is improved with a dental office. Both property owners expressed an interest in acquiring the entire unimproved Castlegate Drive parcel from the City.

The Damsel Lane property owner's intent was to fence the entire Castlegate Drive parcel. The dental office property owner's intent was to expand his existing parking area into the entire Castlegate Drive parcel. The dental office parcel already encroaches into the unimproved Castlegate Drive parcel so the acquisition would have resolved the encroachment. Eventually, the property owners agreed that they would each seek to acquire 50% of the of the unimproved Castlegate Drive parcel.

The law office inquired with Brian Woodward, then Director of Recreation and Parks, about whether the unimproved Castlegate Drive parcel could be used as a City park. He indicated that there was no prospect of that. The law office also inquired with Sam Brice of Public Works about whether the City had any intention of paving the unimproved Castlegate Drive parcel so that Castlegate Drive would lead all the way to Forest Drive. He indicated that there was no prospect of that either.

At that point, it was felt that the City would have no further use for the unimproved Castlegate Drive parcel and advised the adjacent property owners that the City would sell 50% to each of them at fair market value, or in whatever percentages to which they agreed. Both have indicated that they are willing to pay fair market value and costs of the transfer and settlement costs. The property owners had a survey completed in anticipation of acquisition. An appraisal must be completed. The City can advance the expense of the appraisal and recoup the expense by factoring it in to the purchase price.

Before undertaking this expense, the Law Office requests that the Finance Committee indicate whether it favors this transaction. If the Finance Committee favors the transaction then the appraisal will be obtained and the law office will inquire as to who may want to sponsor an Ordinance.