



City of Muscatine



AGENDA ITEM SUMMARY

DATE:10-1-20

City Council

STAFF

Andrew Fangman, Assistant Community Development Director

SUBJECT:

Resolution Setting a Public Hearing on a Lease of a Portion of the Undeveloped Lombard Street Right of Way Adjoining 1009 E. 6th Street

EXECUTIVE SUMMARY:

Midwest Property Holdings LLC, whom recently purchased 1009 E. 6th Street, (the old Weber Button) is requesting that the City enter into a long-term lease for the portion of the Lombard Street right of way, which adjoins this property. Prior to the consideration of a long-term lease of public right of way State Code requires that a public hearing be held. This resolution will set such a hearing for October 15th.

STAFF RECOMMENDATION

Staff recommends approval.

BACKGROUND/DISCUSSION

In April of 2020, Midwest Property Holdings LLC, purchased 1009 E. 6th St from Weber and Sons Button Company, and has since been renovating this property. As part of this renovation Midwest Property Holdings LLC, desires to construct a canopy type structure, in order to provide for a protected storage area for snow removal equipment, on an existing concrete pad that adjoins the east side of the existing building. However, the east wall of the existing building is concurrent with the property line, and the concrete slab in question is located with the Lombard Street right of way. As such in order for Midwest Property to erect the desired structure they will need to lease this right of way. The City previously leased this right of way to the former owners of 1009 E. 6th Street. The existing improvements in this right of way were made by the previous owner under a lease that expired in 1976.

CITY FINANCIAL IMPACT

If ultimately a lease is approved, the payment of the negotiated amount to the City.

ATTACHMENTS

1. Memo
2. Resolution Setting Public Hearing



COMMUNITY DEVELOPMENT DEPARTMENT

City Hall - 215 Sycamore St
Muscatine, IA 52761-3840
(563) 262-4141
Fax (563) 262-4142

Planning • Zoning • Building Safety • Construction Inspection Services • Public Health • Housing Inspections • Code Enforcement

MEMORANDUM

To: Mayor and City Council Members
Cc: Carol Webb, City Administrator
Jodi Royal-Goodwin, Community Development Director
Date: October 1, 2020
Re: Resolution Setting a Public Hearing on a Lease of a Portion of the Undeveloped Lombard Street Right of Way Adjoining 1009 E. 6th Street

INTRODUCTION: Midwest Property Holdings LLC, whom recently purchased 1009 E. 6th Street, (the old Weber Button) is requesting that they City enter into a long-term lease for the portion of the Lombard Street right of way, which adjoins this property. Prior to the consideration of a long-term lease of public right of way State Code requires that a public hearing be held. This resolution will set such a hearing for October 15th.

BACKGROUND:

In April of 2020, Midwest Property Holdings LLC, purchased 1009 E. 6th St from Weber and Sons Button Company, and has since been renovating this property. As part of this renovation Midwest Property Holdings LLC, desires to construct a canopy type structure, in order to provide for a protected storage area for snow removal equipment, on an existing concrete pad that adjoins the east side of the existing building.

However, the east wall of the existing building is concurrent with the property line, and the concrete slab in question is located with the Lombard Street right of way. This concrete slab was installed by the previous owner. Such use of public right of way was permitted by a lease from the City which was approved in 1951. Because this lease has long since expired in 1976, the only way for Midwest Property Holdings LLC, to make their desired improvements to this right of way, is to either enter into a new lease with the City or to purchase it after it has been vacated.

Midwest Property Holdings LLC has opted to request a lease of this right of way. This is because the process to lease this right of way could be completed in time to allow for them erect the canopy type structure prior to the start of snow removal season. Completion of the legally required steps to vacate and sell this right of way to Midwest Property Holdings could not be completed prior to early January of 2021. They have indicated that the vacation and sale of this right of way would be their desired long-term outcome, and should this lease be approved staff will work with them on the vacation and sale process. The full text of the proposed lease, which is not yet complete, will be part of the October 15th Council agenda package, should council approve this resolution setting a public hearing.

RECOMMENDATION/RATIONALE: Approve the attached resolution setting a public hearing on the proposed lease. The right of way that is subject of the proposed use has no public use, only has the potential to be beneficially used by the owner 1009 E. 6th St, and has it previously been leased to the owner 1009 E. 6th St.

BACKUP INFORMATION:

1. Resolution Setting Public Hearing
2. Public Hearing
3. Expired Lease to this Right of Way which was approved in 1951



Proposed Lease of Lombard St Right of Way Adjacent to 1009 E. 6th Street

Legend

-  Lombard Street Right of Way Proposed for Lease
-  Parcel Lines

0 40 80 160 Feet



LEASE

This Lease and Agreement made and entered into in duplicate by and between the City of Muscatine, Iowa, a municipal corporation, organized and existing under the laws of the State of Iowa, Lessor, and Weber and Sons Pearl Button Co., an Iowa corporation, Lessee,

WITNESSETH:

The Lessor does hereby lease to the Lessee the following described real estate for a period of Twenty-five (25) years:

That portion of Lombard Street in the City of Muscatine, Iowa, between the north line of Sixth Street and the south alley line of Blocks One Hundred Eleven and One Hundred Twelve (111 & 112) of the Original Town, lying north of the Chicago, Rock Island and Pacific Railroad right-of-way.

The consideration for this lease shall be that the Lessee shall pay to Lessor the sum of One (\$1.00) Dollar per year for the term of this lease. This payment shall be made on the 15th day of February of the year 1951, and upon the 15th day of February or the next business day of each succeeding year for the next twenty-four (24) years or as long as this lease shall be in effect.

It is mutually agreed by the parties hereto that this Lease shall not be subject to cancellation by the Lessor unless Lessee shall fail to pay rental when due or Lessee shall use the above premises in such a manner as to become a nuisance under the laws of the State of Iowa or the Ordinances of the City of Muscatine. In either case the Lessor may commence an action in the District Court of Iowa, in and for Muscatine County, for the cancellation of this Lease.

It is further agreed that this Lease shall not be transferred or assigned by Lessee without a Resolution of the City Council of Muscatine, Iowa, approving the proposed assignment or transfer.

Dated at Muscatine, Iowa, this 26th day of February, A. D. 1951.

CITY OF MUSCATINE, IOWA.

By

Burt J. Dean
Mayor

WEBER AND SONS PEARL BUTTON CO.

By

John H. Weber, Jr.
President

Attest:

Flarence Mason
City Recorder

Attest:

Edward W. Weber
Secretary

RESOLUTION NO. 2020-0330

**A RESOLUTION SETTING TIME AND PLACE FOR A PUBLIC HEARING ON
PROPOSED LEASE AGREEMENT WITH MIDWEST PROPERTY HOLDINGS
LLC FOR A SMALL PORTION OF LOMBARD STREET RIGHT OF WAY
THAT ADJOINS 1009 EAST 6TH STREET**

WHEREAS, the City of Muscatine in cooperation with Midwest Property Holdings LLC, is proposing a 99-year lease agreement for a small portion of Lombard Street right of way that adjoins 1009 East 6th Street; said right of way that would be subject to the proposed lease being more particularly described as:

That portion of Lombard Street in the City of Muscatine, Iowa, between the north line of Sixth Street and the north alley line of Blocks One Hundred Eleven and One Hundred Twelve (111 & 112) of the Original Town, lying north of the Chicago, Rock Island and Pacific Railroad right-of-way.

and

WHEREAS, a public hearing must be conducted for any lease agreement that involves more than a three-year lease of real property.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MUSCATINE, IOWA, as follows:**

1. On October 15, 2020 at 7:00 p.m. in the City Council Chambers at City Hall, Muscatine, Iowa, this Council shall hold a public hearing on the proposed lease agreement with Midwest Property Holdings LLC for a portion of the Lombard Street right of way which adjoins 1009 East 6th Street.
2. The City Clerk shall give notice of such public hearing by publication in the Muscatine Journal not less than four (4) nor more than twenty (20) days prior to the date set for the public hearing. The notice shall be in the following form:
(Notice of Public Hearing attached).

PASSED, APPROVED AND ADOPTED this 1st day of October, 2020.

**BY THE CITY COUNCIL OF THE
CITY OF MUSCATINE, IOWA**

Diana L. Broderon, Mayor

Attest:

Carol Webb, City Clerk

PUBLIC NOTICE

TO THE CITIZENS OF MUSCATINE, IOWA:

Public Notice is hereby given that the City Council of the City of Muscatine, Iowa, will hold a Public Hearing to allow comments on a proposed lease agreement Midwest Property Holdings LLC, is proposing a 99-year lease agreement for a small portion of Lombard Street right of way that adjoins 1009 East 6th Street; said right of way that would be subject to the proposed lease being more particularly described as:

That portion of Lombard Street in the City of Muscatine, Iowa, between the north line of Sixth Street and the north alley line of Blocks One Hundred Eleven and One Hundred Twelve (111 & 112) of the Original Town, lying north of the Chicago, Rock Island and Pacific Railroad right-of-way.

You are further notified that oral or written statements in support of or opposition to the proposed sale of real property may be made at a public hearing before the City Council to be held at 7:00 p.m. on Thursday, October 15, 2020, in the City Council Chambers in City Hall, Muscatine, Iowa.

Carol Webb
City Clerk