

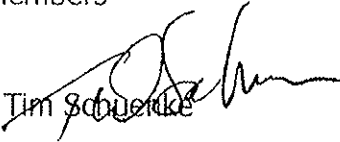
CITY OF PARK RIDGE

MEMORANDUM

CONFIDENTIAL

DATE: January 25, 2008

TO: City Council Members
Mayor

FROM: City Manager Tim Schuerke 

RE: Closed Session on Property Acquisition

I have placed an item on Monday's agenda regarding property acquisition. The acquisition in question has to do with the acquisition of property for a new Police facility. As you all know, we have been having conversations with American Eagle Insurance located at 720 Garden Street relative to the purchase of their property. They have indicated in the past they are willing to consider selling this property to the City and that is the purpose of the closed session.

The City has had an appraisal done of the property and the property owner has had an appraisal done of the property. The property owner has also had a survey done of property and as a result of that survey it is evident that our appraiser did not use the correct square footage for the parking lot area of the property. The survey shows the property is having 14,000 square feet on the lot where the building is and 7,000 square feet on the parking lot. Our appraiser used 14,000 square feet and 4,200 square feet respectively.

Our appraiser appraised the property at \$770,000. He indicated he thought the value of the property was in the land.

If you recalculate his findings based upon the new square footage, the appraisal would be \$888,000 or \$900,000 using round figures.

American Eagle Insurance also had the property appraised. Their appraisal says the property is worth \$1,360,000. Both appraisals use various Park Ridge property sales as the basis for their conclusion. The price for the property is probably somewhere between \$900,000 and \$1,360,000.

Our Mission:

THE CITY OF PARK RIDGE IS COMMITTED TO PROVIDING EXCELLENCE IN CITY SERVICES IN ORDER TO UPHOLD A HIGH QUALITY OF LIFE, SO OUR COMMUNITY REMAINS A WONDERFUL PLACE TO LIVE AND WORK.

Given that the property owner would not have to engage the service of real estate company and go through the hassle of selling the property, I believe a price of less than what they have had it appraised for can be justified to them. My recommendation is to make them an offer of \$1,100,000. I will be prepared on Monday evening to discuss this matter.

If any of you would like to see any of the appraisals, let me know and I will provide you with them.

GARDEN ST.

FAIRVIEW AVE.

NEW 3 STORY ABOVE
GRADE POLICE STATION
W/ FULL BASEMENT &
UNDERGROUND PARKING.

FOOTPRINT = #12,000 SQ.FT.

PARKING
PARKING
SPACES = 26

SALLY PORT

INTERIOR RAMP DOWN

PROSPECT AVE.

