

March 24, 1970

SENATE FILE 1307

Passed on File

Has Appropriation 4/6
Pass 4/7

By COMMITTEE ON APPROPRIATIONS

Passed Senate, Date.....*4-3-70*..... Passed House, Date.....*4-2-70*.....

Vote: Ayes.....*56*..... Nays.....*0*..... Vote: Ayes.....*102*..... Nays.....*0*.....

Approved.....*April 14, 1970*.....

A BILL FOR

1 An Act to authorize exercise of a purchase-option by the armory
2 board and to appropriate funds therefor; and to authorize the
3 sale upon certain conditions of the property so acquired.

4 *Be It Enacted by the General Assembly of the State of Iowa:*

5 Section 1. There is hereby appropriated from the general
6 fund of the state of Iowa to the department of public defense
7 the sum of fourteen thousand (14,000) dollars, or so much
8 thereof as may be necessary, to be used with the approval of
9 the executive council to pay the balance due to complete the
10 purchase on the purchase-option lease with the Sioux City armory
11 company for the Grandview street armory including expenses in-
12 cident to fees, abstracting costs and appraisal fees.

13 Sec. 2. When such purchase is completed, the armory board
14 with the approval of the executive council may sell through
15 outright sale, purchase-option lease, or on contract, such
16 property at a value to be determined on the basis of the average
17 of three appraisals made by qualified real estate appraisers of
18 Woodbury county who shall be designated by the executive council.

19 Sec. 3. In disposing of such property the armory board shall
20 give preference to purchasers whose purpose is to use such
21 property in a public manner and in particular to the welfare of
22 children of the area.

23 Sec. 4. Any unencumbered balance of the funds appropriated
24 by this Act remaining as of June 30, 1971, shall revert to the
25 general fund of the state as provided in section eight point

- 1 thirty-three (8.33) of the Code.
- 2 Sec. 5. All proceeds from sale or lease of the property
- 3 shall be deposited in the general fund of the state.
- 4 Sec. 6. This Act being deemed of immediate importance shall
- 5 be in full force and effect from and after its final approval
- 6 and publication in The Sioux City Journal, a newspaper published
- 7 at Sioux City, Iowa, and in the Waterloo Daily Courier, a news-
- 8 paper published at Waterloo, Iowa.

EXPLANATION

The state armory board entered into a purchase-option type lease with the Sioux City Armory Company commencing on October 1, 1951, for a period of twenty years with the right to elect to purchase the property at any time during the period of the lease. The lease will terminate by its own terms on September 30, 1971. However, a new armory-maintenance shop complex is presently under construction at Sergeant Bluff and it is presently estimated that this facility will be available for occupancy on or around April 1, 1970, leaving the Grandview Street Armory vacated.

With the approval of the Executive Council the Armory Board could initiate proceedings for a mutual release of both parties to the existing lease. However, this is not advisable inasmuch as the state will have invested \$87,908.24 toward its option to purchase the building for \$98,500.00. Funding commitments in connection with the purchase-option lease are payable from funds appropriated for the support and maintenance of the Military Division of the Department of Public Defense; however, the payment of a lump sum of approximately \$11,000.00 plus fees and abstracting would result in a serious disruption of the Military Division's programmed budget execution and, in fact, would result in its paying for something that will no longer be within the military requirement. The Sioux City Boys' Club has indicated a great interest in acquiring the property from the state upon it being vacated, however, this is contingent on title being conveyed to the state at that time. This provides the appropriation to exercise the option and to credit the general fund with all proceeds from the sale of the property.