



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: June 18, 2007
Subject: Resolution authorizing purchase of First Bank property

List of committees that have reviewed: Finance and Administration and 2 Executive Sessions

Background: First Bank is relocating to East Highway 50 and has agreed to sell the City 1.03 acres across the street from City Hall. City Hall has for years had a parking agreement with First Bank for overflow parking and without this capability would have to build an additional parking lot at a cost estimated in excess of \$350,000. The City commissioned an appraisal from Lunte Appraisal Company who appraised the property at \$530,000 and the Bank has an appraisal for \$700,000. Negotiations resulted in a \$550,000 price after the Bank included all furniture and fixtures including a fully equipped drive up facility, vault, office furniture, break room furniture and equipment and misc. other items. This building and equipment are a bonus to the parking lot which is crucial to City Hall operations.

Legal Considerations, if any: The agreement was drawn between City Attorney Dale Funk and First Bank Counsel Barbara Dite.

Budget Impact: The possibility of this purchase has been known for over 2 years and money was put aside from the extra funds provided by special census. The City will hold an additional special census this fall which will provide the remained of the funds over the next 2 years. The full \$550,000 will come from money produced by special census--completely from new residents moving to O'Fallon.

Staff recommendation: All aspects of this agreement are in accordance with the City of O'Fallon Policies and Procedures.