

Iowa City Lot Sales

The establishment of a permanent seat of government was one of the first problems which confronted the people of the Territory of Iowa. For this purpose, Congress, in an act approved on March 3, 1839, donated to the Territory "one entire section of land". The statute further provided that after the site for the public buildings had been selected there should be no limitation upon the Territory "from selling and disposing of the residue of said section in lots or otherwise, for the use of said Territory, in the erection and completion of said buildings."

Accordingly, the First Legislative Assembly of the Territory declared that after the seat of government was surveyed the Governor should "by proclamation, direct a sale of lots". On July 25, 1839, Governor Robert Lucas authorized two land sales to be held at Iowa City, one on the third Monday in August, and the second on the first Monday in October.

On the dates specified in the Governor's proclamation, certain lots in the square mile that was to constitute the capital city were auctioned to the highest bidders. One-fourth of the purchase price

was to be paid down and the remainder was to be paid in three six-month installments. In each case the purchaser was required to sign a promissory note. But expectations outran the realization. At the August sale 103 lots were sold for the sum of \$17,292.75; at the October sale 106 lots were sold but for only \$11,887. Of the total purchase price the Territory received \$7105 in cash and \$19,634.75 in notes. Other purchasers who had made bids did not consummate the sale because they failed to make the necessary cash payment. Confronted with an inadequacy of funds from the first land sales, and realizing that the most valuable lots had been disposed of and that the revenue from future sales would inevitably decrease, Chauncey Swan, the Acting Commissioner of Public Buildings at Iowa City, pleaded for legislative action.

In January, 1840, the Second Legislative Assembly attempted to balance finances by limiting the cost of completing the capitol. Foreseeing the small income from the sale of lots, the legislators authorized the Acting Commissioner to adopt a plan for a public building that would not cost more than \$51,000. The special session of the Second Legislative Assembly, however, approached the problem of attempting to raise more money by extending the sale of lots. In July, 1840, the Gov-

ernor, the Secretary, and the Acting Commissioner were directed to "equalize the value of the unsold lots" and "affix to each lot a specific value, in proportion to its situation, so as not to reduce the aggregate value of the whole below the average sum of three hundred dollars per lot". In compliance with this statute Governor Lucas, on July 24, 1840, proclaimed that a public sale should be held at the capital city on August 31st.

It appears, however, that the sale failed to stimulate enthusiasm. The price of the lots was still too high. Realizing that some purchasers could not be present on the date of the public sales, the Territorial officials arranged for purchase by private entry. Between July, 1840, and February, 1841, only thirty-eight lots were sold for the sum of \$7077. All these transactions were made by private entry.

The sale of these lots casts an interesting sidelight upon the history of the frontier capital. On September 1, 1840, Walter Butler bought lot six in block eighty, situated on the northeast corner of Clinton and Washington streets. This location came to be one of the most advantageous in the city. Just across from Capitol Square it soon became a focal point of traffic. Interesting, too, is the fact that Walter Butler built on this corner the frame building which later housed the Fourth

Legislative Assembly of Iowa while the lawmakers awaited the completion of the Stone Capitol. Butler paid eight hundred dollars for this choice lot.

During the following months two other valuable lots just off Capitol Square (one on Clinton Street between Washington Street and Iowa Avenue and one on Iowa Avenue just off Clinton Street) were sold for eight and seven hundred dollars each. Probably these locations had remained unsold during the first land sales because of the prospective high price in competitive bidding. Fixed valuations attracted purchasers.

It was at this time also that Governor Lucas became interested in Iowa City real estate. On January 1, 1841, the Governor purchased all of block twenty and half of block twenty-four. This tract lay between Washington Street and Iowa Avenue, four blocks east of Capitol Square. The Governor must have expected the town to develop in that direction for his lots were on low land along meandering Ralston Creek. For the twelve lots he paid only \$530.

With these exceptions few lots were sold. Indeed, the year 1840 was a gloomy one for Iowa City. Progress on the capitol building was slow. The sale of lots had not produced the necessary funds to insure completion of the public buildings.

On November 1, 1840, Chauncey Swan, in his annual report to the legislature, suggested "the propriety of so reducing the minimum price of lots unsold, that they will meet with a ready sale, and create a fund sufficient to complete the capitol without delay, as it has been ascertained by fair experiment that the money cannot be realized for that purpose at the present prices." The Commissioner had already taken the responsibility for exchanging Iowa City lots for material and labor to be expended upon the capitol. But that expedient had likewise been of little avail.

The Legislative Assembly later reduced the minimum price for lots to two hundred dollars, and a Territorial Agent utilized scrip as a means for carrying on the work — both without success. When the Territory of Iowa passed into Statehood the capitol building was still unfinished.

The sale of lots in August, 1840, appears to have been one of the most decisive occasions in Territorial finance. Lots with fixed values were offered for sale but nobody came to purchase. Out of such experiences and defeats the pioneers of Iowa evolved a Commonwealth. They proceeded by trial and error. But with perseverance they achieved success out of failure.

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