

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 8, 2015
	Agenda Item No. 41 Roll Call No. <u>15-933</u> Communication No. <u>15-292</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approval of Agreement on Assignment of Certificate of Purchase at Tax Sale from the County of Polk to the City of Des Moines and authorization for the Mayor's signature for three (3) public nuisance properties.

SYNOPSIS:

On May 4, 2015 by Roll Call No. 15-0746, the City Council requested the tax sale certificates for three (3) public nuisance properties that were held by Polk County. The properties include 1355 Pennsylvania Avenue, 1710 7th Street, and 2727 Linden Avenue. On May 19, 2015 by Resolution No. 87-15, the Polk County Board of Supervisors approved an agreement for each property that assigns the tax sale certificate of purchase to the City of Des Moines, abates the subsequent delinquent taxes, and waives the transaction fee for such assignment.

The Council action will approve each agreement with Polk County, authorize the Mayor to sign each agreement, and allow the City to proceed to take ownership of such properties. After obtaining ownership, the City will subsequently transfer the deed to a developer who will renovate or develop the property as a single family residence.

FISCAL IMPACT:

Amount: Approximately \$30,000 in special assessments (expended)

Funding Source: Nuisance Abatement Costs (BHNAC), CDB01914; Storm Water Utility Fee, PW247413; Sanitary Sewer Rental Fee, PW247411

ADDITIONAL INFORMATION:

Each of these properties has sat as nuisance properties for several years and been a detriment to the street. If the properties can be redeveloped it will help with neighborhood revitalization and build new tax base.

The Legal department will begin the acquisition process by notifying anyone with an interest in the property of the City's intention to take tax deed to the property. The Community Development Department will work with the Legal Department on preparing a Request for Proposal on each of the properties or accepting a developer initiated proposal.

1710 7th Street

Prior to the Council Action on May 4, 2015, Michael Hildebrand, 410 Franklin Avenue, provided a letter of interest concerning taking ownership and rehabilitating the house. He has provided the City staff a letter of interest from his bank. Mr. Hildebrand has successfully rehabilitated other public nuisance houses in the River Bend Neighborhood.

The property is currently owned by LBT Iowa 9099, 106 S Washington Street, Baltimore MD 21231, who took ownership of the property in June 2011 through a tax sale process.

2727 Linden

Prior to the Council Action on May 4, 2015, Steve Logsdon, Lucca Restaurant, 420 E. Locust 333-8063, provided a letter of interest in taking ownership and rehabilitating the house. He has provided the City a letter of interest from the bank. Mr. Logsdon has successfully rehabilitated commercial buildings in the East Village for restaurant uses. The owner of 2725 Linden, Margie Walter, has also sent a communication to staff expressing interest in rehabilitating the property.

The Title holder and the Contract Buyer for this property are deceased. The heir to the contract buyer did not respond to any City notifications to abate the public nuisance.

City staff will attend the Woodland Heights meeting in June to ensure the neighborhood is comfortable with the process and City covenants/requirements for taking ownership.

1355 Pennsylvania

Home Opportunities Made Easy, Incorporated (HOME, Inc.) would like to use the lot for development activities in the East Bank area. The Capitol Park neighborhood association is aware of HOME, Inc.'s interest in this lot and has received approval from the association for single-family development in their neighborhood. The original owners of the property have passed away. The City used CDBG funds to remove the structure.

Water Works Liens

The Des Moines Water Works has approved a policy to release liens for up to \$1,000 when the City is involved in taking ownership of a property through the tax sale process. Only one (1) of the properties, 2727 Linden, will have a lien of over \$1,000. The additional costs will need to be a part of the acquisition cost for the new owner.

PREVIOUS COUNCIL ACTION(S):

Date: May 4, 2015

Roll Call Number: [15-0746](#)

Action: [Request](#) to Polk County Treasurer for assignment of tax sale certificates, approval of City acquisition of properties through tax deed, authorization to request release of property taxes and special assessments, and release of all City liens and special assessments in order to encourage housing redevelopment. ([Council Communication No. 15-221](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: October 10, 2011

Roll Call Number: [11-1749](#)

Action: Approving the Legal Department to proceed with court action seeking authority to abate the public nuisance at the following locations:

- (D) [2727](#) Linden Street, main structure and garage structure, Titleholder: Charlotte Fay (deceased); Contract Buyer: Earlene Maness (deceased); Patricia Motley, Heir to Earlene Maness. Moved by Meyer to adopt. Motion Carried 7-0.

Date: July 28, 2008

Roll Call Number: [08-1379](#)

Action: The Legal Department to proceed with court action seeking authority to abate the public nuisance at the following locations:

- (A) [1710](#) 7th Street (fire-damaged structure), Titleholder: Daniel A. Estevez. Moved by Vlassis to adopt. Motion Carried 7-0.

Date: February 12, 2007

Roll Call Number: [07-0301](#)

Action: The Legal Department to proceed with court action seeking authority to abate the public nuisance structures at the following addresses:

- (D) [1355](#) Pennsylvania Avenue, Titleholder: William L. Gilliam. Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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