

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-211

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

APRIL 22, 2002

SYNOPSIS -

Approve a request to Polk County for the assignment of the Tax Certificates for 711 - 16th Street to the City of Des Moines. The City will work with the Sherman Hill Association on a plan for redevelopment of the site.

SUBJECT:

ASSIGNMENT OF
TAX CERTIFICATE
FOR 711 - 16TH
STREET

FISCAL IMPACT -

The total cost of the assignment of the tax certificates will be \$28,054.25. The City has previously spent over \$54,000 of Community Development Block Grant (CDBG) dollars on the demolition of this structure. If the City is successful in obtaining ownership and the property was sold in the future, the sale money would be credited back to the appropriate CDBG account.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

SUBMITTED BY:

Approval.

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

BACKGROUND -

The Celebrity Care Nursing Home, located on the northeast corner of 16th and Pleasant at 711 - 16th Street, was a problem in the Sherman Hill Neighborhood for several years. The City declared the property a public nuisance on August 21, 2000, by Roll Call No. 00-3514. The Court entered into a Consent Decree on May 23, 2001 in which the defendant, DGM Properties, LLC, was found to be in default and was ordered to abate the public nuisance by renovation of the structure or by demolition. The owner took no action and the City Council, by Roll Call No. 01-2473, referred the structure to the Engineering Department for demolition. The building was torn down in September of 2001 at a cost of over \$54,000 funded by CDBG dollars. The City placed a lien against the property for the cost of demolition.

The tax certificates and delinquent taxes against this property total \$28,054.25. The owner of the tax certificates, Pacific National Bank FBO Jolanta Bankowska, Entrust Administration Inc., has served notice that they intend to execute their rights to take a deed to the real estate unless redemption is made.

In 1999, the State Legislature passed legislation to allow cities and counties to obtain the assignment of a tax sales certificate by paying to the holder of such certificate the total amount due on the date the assignment is made for the purpose of encouraging acquisition and rehabilitation of abandoned dwellings for low- and moderate-income housing. The property must meet several conditions including that it must be abandoned, must be residentially assessed, and must be a public nuisance.

The Celebrity Care site previously met all these conditions except that it was assessed as commercial property. The structure is now demolished and this site was rezoned on December 17, 2001, by Ordinance No. 14,036 to a Planned Unit Development (PUD) that is limited to residential uses. Staff will request that the Assessor's Office reassess the parcel to a residential classification. The City should then be able to obtain the assignment under Iowa Code 446.19A.

This property is key to the revitalization of the Sherman Hill Neighborhood. The land area measures 195' of frontage by 124' in depth and is abutted by a north/south alley. The land would most likely be reused for three single-family owner-occupied houses or a town house development. City staff will work very closely with the Sherman Hill Neighborhood and the Historic District Commission on any future development. Preference must be given to low- and moderate-income housing according to the requirements of the state legislation.

In 2001, the Polk County Assessor assessed the parcel at 711 - 16th Street for \$36,210. Lots in Sherman Hill Neighborhood have been selling for approximately \$10,000 for a 60-foot frontage lot.
