

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 13, 2011
	Agenda Item No. 21 Roll Call No. <u>11-984</u> Communication No. <u>11-347</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Waiver of City's Special Assessments and City Inspection Fees to Allow for Redevelopment of the parcels at 3132 Kingman Boulevard and 1147 27th Street.

SYNOPSIS:

On January 24, 2011 by Roll Call No. 11-0135, the City Council held a public hearing and approved an “Agreement for Purchase of Real Estate” with Denis Marchand whereby the City agreed to acquire the tax deeds for the 3132 Kingman Boulevard and 1147 27th Street. Because the special assessments and fees owed the City are an obstacle to redevelopment, the Roll Call also included waiving City assessments and fees if Mr. Marchand hired a Special Council to represent the City in acquiring the tax deeds and paid all associated costs and expenses. Mr. Marchand did proceed with hiring Special Council for acquiring the tax deed and the time for redemption by the original owners of the property have expired. This action waives City Special Assessments and City Inspection Fees prior to the City taking tax deed and re-assigning the tax deed to Denis Marchand.

FISCAL IMPACT:

Amount: \$30,331 in past due inspection fees and \$6,183.50 in demolition costs - 1147 27th Street \$3,363.99 in special assessments - 3132 Kingman Boulevard

Funding Source: 2010-2011 Operating Budget, Community Development Block Grants – SP020, CDD04990, page 68.

ADDITIONAL INFORMATION:

By Roll Call No. 10-921 on June 14, 2010 and Roll Call No. 10-1280 on August 9, 2010, the City Council requested the tax sale certificates for 1147 27th Street and 3132 Kingman Boulevard to proceed with acquisition pursuant to Iowa Code 446.19A with the intent that such certificates be assigned to a redeveloper.

The Community Development Staff sent out Requests for Proposals for redevelopment of the properties per Council direction. Denis Marchand submitted proposals for both properties that best satisfied the terms of the Request for Proposal.

The process for acquisition of 3132 Kingman Boulevard and 1147 27th Street was different than the City has used in the past because of the large amount of taxes and special assessments owed against the

properties. Under Iowa Code Section 446.19A, the City must take ownership in order for the taxes, liens and specials to be forgiven. The Legal Department developed an "Agreement for Purchase of Real Estate" with Denis Marchand that includes restrictive covenants on the use and design of the properties.

The City Council set a date of public hearing on the conveyance of the real estate at its January 10th meeting by Roll Call 11-0026 and at its January 28 meeting the Council approved "An Agreement for Purchase of Real Estate" with Denis Marchand. The developer was required to hire Special Council to work through the tax sale certificate process including researching the title, serving notices, and filing an affidavit. Mr. Marchand hired Joe Coppolla Wasker, Dorr, Wimmer & Marcouiller, P.C. 4201 Westown Parkway - Suite 250 West Des Moines, Iowa 50266 as Special Council.

Mr. Coppolla filed proper notices and affidavits for the legal periods required under Iowa Code 449.19A have expired. Mr. Coppolla notified the City that tax deed could be recorded in the City's name and asked that all City costs and special assessments filed with the County Treasurer be released according to the purchase agreement. The City will convey the property to the developer after the specials are released.

Mr. Marchand will reimburse the City for any direct costs (\$88.00) in acquiring the properties and will pay the taxes accrued since June 2010:

1147 27th St, Des Moines Parcel Total without city special assessments: \$129.00

3132 Kingman Blvd, Des Moines Parcel Total without city special assessments: \$6,473.00

PREVIOUS COUNCIL ACTION(S):

Date: January 24, 2011

Roll Call Number: 11-0135

Action: **On** agreement for acquisition of tax sale deeds to 3132 Kingman Boulevard and 1147 27th Street and conveyance to Denis Marchand for development of housing. ([Council Communication No. 11-042](#))
Moved by Hensley to adopt. Motion Carried 7-0.

Date: January 10, 2011

Roll Call Number: 11-0026

Action: **On** agreement for acquisition of tax sale deeds to 3132 Kingman Boulevard and 1147 27th Street and conveyance to Denis Marchand for development of housing, (1-24-11). ([Council Communication No. 11-006](#)) **Moved by Mahaffey to adopt. Motion Carried 7-0.**

Date: August 9, 2010

Roll Call Number: 10-1280

Action: **Request** to Polk County Treasurer for 2010 Tax Sale Certificate on abandoned property at 3132 Kingman Boulevard. ([Council Communication No. 10-478](#)) **Moved by Moore to adopt. Motion Carried 7-0.**

Date: June 14, 2010

Roll Call Number: 10-921

Action: [City](#) Manager to remove two requested properties from the Polk County tax sale certificate for future development of housing. ([Council Communication No. 10-328](#)) **Moved by Moore to adopt; refer to the City Manager to identify any City-owned property that is buildable/usable. Also, work with Polk County to jointly market the lots. Motion Carried 7-0.**

Date: September 13, 2004

Roll Call Number: 10-1978

Action: Court authority to abate the public nuisance at the following locations: 1147 27th Street, Titleholder: Michael Schumacher d/b/a SSW, LLC, Contract Buyer: J & C Properties, Mortgage Holder: Commercial Federal Bank, FSB. Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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