

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 23, 2013
	Agenda Item No.	25
	Roll Call No.	[_____]
	Communication No.	<u>13-604</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Resolution approving Agreement for Conveyance of a Tax Sale Certificate to the property at 1332 41st Street to Leslie Gearhart and Todd McBride for rehabilitation of housing.

SYNOPSIS:

By Roll Call No. 13-1645 on October 21, 2013, the City Council approved a request to the Polk County Treasurer for assignment of the 2013 Tax Sale Certificate for the abandoned property at 1332 41st Street. Staff was directed to distribute a Request for Proposal (RFP) to locate a developer to acquire tax deed and renovate the property. Staff received three (3) responses to the RFP and is recommending the Tax Sale Certificate be awarded to the developers with the highest scoring proposal, Leslie Gearhart and Todd McBride.

FISCAL IMPACT:

Amount: Revenue of \$3,430.34 for previous expenditure for 2013 Tax Sale Certificate

Funding Source: To be credited to CD046000 / 521030

ADDITIONAL INFORMATION:

The taxes for 1332 41st Street were sold at the Tax Certificate Sale Auction in June of 2013. Due to the condition of the property, neighbors approached the Polk County Treasurer’s Office and were referred to the City’s Community Development Department with a request that the City intercede in the Tax Sale Redemption process. City staff attended a meeting of the Drake Neighborhood in August concerning the property and the tax sale certificate process.

The owner of the property, Geraldine Jennett is not living at the house. The agent registered with the Assessor’s Office is Paul Jennett with an address of 671 37th Street. The Treasurer’s Office sent notification of the overdue taxes for 1332 41st Street directly to Mr. Jennett at his 671 37th Street address. The notice was returned so in May the Treasurer’s Office posted the notification of overdue taxes on the front door of 1332 41st Street. The notice is still posted on the door.

Although there have been several complaints about the condition of the property, the house is not considered a public nuisance. The garage is boarded, but the house itself has intact windows and does not appear to have any holes in the roof. It is rated in poor condition on the Polk County Assessor’s site. Abandoned property under Iowa Code is defined as "a lot or parcel containing a building which is

used or intended to be used for residential purposes and which has remained vacant and has been in violation of the housing code of the city in which the property is located for a period of six (6) months.” The property does not need to be formally declared a public nuisance to proceed with a tax sale certificate request.

On October 21, 2013, by Roll Call No. 13-1645, the City Council requested the tax sale certificate from the Polk County Treasurer’s office. Upon assignment of the certificate, City staff distributed a RFP to developers. The RFP was also sent to the Center for Sustainable Communities (COSC) whose director forwarded the request to additional developers.

On November 25, 2013, three (3) proposals were submitted for the acquisition of tax deed and rehabilitation of the house on the site:

- Bill Lahay, Nonesuch Design Works, Inc., 1321 41st Street, Des Moines IA 50311
- Denis Marchand/ Marchand Properties, POB 31091 Des Moines, IA 50310
- Leslie Gearhart, 4017 Woodland Avenue, Des Moines, IA 50312 and Todd McBride, 1363 Pennsylvania, Des Moines, IA 50316

A staff committee reviewed and scored the proposals in accordance with the criteria included in the RFP. The proposal submitted by Leslie Gearhart and Todd McBride was scored the highest and staff is recommending that the tax sale certificate be awarded to Ms. Gearhart and Mr. McBride. Leslie Gearhart and Todd McBride have established Thirteen Thirty 2, LLC, an Iowa limited liability company, as the legal entity to acquire and rehabilitate the Property. The City’s agreements will be between the City and Thirteen Thirty 2, LLC.

The tax sale certificate holders will proceed to work with James Nervig of the Brick Law Firm to serve and notify all persons or entities with an interest in the property of the intention to take tax deed at the end of the redemption period. The earliest a tax deed could be issued is late April, which would be 90 days after notification of all interested parties. After that, attorneys recommend waiting an additional 120 days before beginning work on the property because of a statutory appeal period. Work could begin on the property in September, 2014.

If anyone with an interest in the property redeems the tax sale certificate, the City’s and the developer’s actions are moot.

PREVIOUS COUNCIL ACTION(S):

Date: October 21, 2013

Roll Call Number: [13-1645](#)

Action: [Request](#) to Polk County Treasurer to request Tax Sale Certificate for the abandoned property located at 1332 41st Street and City Manager to send request for proposal to developers for rehabilitation and sale of the property. ([Council Communication No. 13-521](#)) Moved by Moore to adopt; refer to the City Manager to include Center on Sustainable Communities (COSC) with the agencies contacted regarding the projects. Motion carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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