

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 23, 2013
	Agenda Item No.	12
	Roll Call No.	[_____]
	Communication No.	<u>13-617</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Authorizing acquisition of 1712 8th Street through donation from Half Moon Holdings, LC, Nancy H. Coon, Manager.

SYNOPSIS:

The property at 1712 8th Street is a vacant lot in the River Bend Neighborhood with potential for redevelopment. The lot at 1712 8th Street sits between a house and a vacant lot owned by the River Bend Neighborhood Association and would complete a development parcel for single-family or multiple-family housing.

The lot was the site of an 8-plex rental property that burned in August 2007, was determined to be a public nuisance by Roll Call No. 07-1797 on September 10, 2007, and was demolished in November of 2011 at City expense. Half Moon Holdings, L.C. took tax deed to the property on November 11, 2012 and has offered to donate the property to the City of Des Moines.

FISCAL IMPACT:

Amount: The City has special assessments levied against the property totaling \$8,275.87 (through October 31, 2013) which would be released upon the City taking ownership of the property. These include \$4,672.31 in Nuisance Abatement Costs (BHNAC), \$448.46 in Sewer Rental costs, and \$3,155.41 in storm water costs (through October 31, 2013). The Council action includes directing the Engineering Department, at such time as the City takes ownership, to request the Treasurer release the special assessments.

Funding Source: SP020 CDD049900 CDBG2011019 Property Clean-up
EN301 PWK071600 Storm Water
EN151 PWK100101 Solid Waste

ADDITIONAL INFORMATION:

The River Bend Neighborhood Association is supportive of the City of Des Moines taking ownership of the lot at 1712 8th Street in order to promote redevelopment of either single-family or multiple-family development. The River Bend Neighborhood Association owns a house, 1720 8th Street adjacent to the north and two (2) vacant lots adjacent to the south.

Half Moon Holdings, LC at 1503 Brady Street, Davenport, Iowa 52803 is a subsidiary of Oak Helm Properties, LLC (OHP) at 2920 North Harrison Street, Davenport, Iowa. Nancy H. Coon, is the Manager of both Half Moon Holdings, LC and OHP.

OHP regularly purchases tax sale certificates at the Polk County annual auction and generally takes tax deed if the tax sale certificate is not redeemed. The company rents properties, sells properties on contract and through deed sale.

OHP purchased the tax sale certificate for the public nuisance 8-plex at 1712 8th Street in June of 2009 and took tax deed through Half Moon Holdings, LC on November, 11 2012. The 8-plex was demolished a year prior to Half Moon Holdings taking tax deed.



The property has a long history with the City of Des Moines. The 8-plex burned in August 2007 and was declared a public nuisance by the City Council acting as the Board of Health by Roll Call No. 07-1797 on September 10, 2007. The structure was demolished in November 2011.

The City has expended over \$46,276.06 since 2007 on boarding the property, inspecting the property, and demolishing the structure. The demolition itself totaled approximately \$42,000. Because of the fire and the presence of asbestos, the entire house was disposed of as hazard waste increasing the costs. The demolition is filed as a Civil Equity case and includes personal lien against the original property owner, MD Homes, LLC. That lien against the property owner will remain in place.

The City also has special assessments levied against the property totaling \$8,275.87 (through October 31, 2013) which would be released upon the City taking ownership of the property. These include \$4,672.31 in Nuisance Abatement Costs (BHNAC), \$448.46 in Sewer Rental costs, and \$3,155.41 in storm water costs (through October 21, 2013). The Council action includes directing the Engineering Department, at such time as the City takes ownership, to request the Treasurer release the special assessments.

At the City's request, the Board of Supervisors will consider abating the back taxes against the property. These total \$11,649.00 as of October 31, 2013. The waiver of taxes is possible because the City requested the 2010 Tax Sale Certificate at the June 2010 Tax certificate sale. As a consequence of that action, none of the additional taxes were sold or advertised for sale at following tax sales. The request to the Polk County Board of Supervisors is based on the future development potential of the site and the unlikely event the property will be developed with the taxes and special assessments against the property.

An abstract is currently being created on the property by the City of Des Moines. If there are any unanticipated costs associated with acquisition, the City staff will work with Half Moon Holdings to have the costs forgiven or paid. The City will not acquire the property until all such costs are addressed and the legal department has determined that the City is receiving marketable title to the property. After acquisition, the City staff will work with the River Bend Neighborhood Association to dispose of the property as a potential development site.

PREVIOUS COUNCIL ACTION(S):

Date: December 9, 2013

Roll Call Number: [13-1884](#)

Action: [Approving](#) acquisition of 1712 8th Street through donation from Half Moon Holdings, LC. ([Council Communication No. 13-583](#)) Moved by Moore to defer consideration to the December 23rd Council Meeting; refer to the City Manager for a detailed listing of responsible parties and lien amounts. Motion Carried 7-0.

Date: June 14, 2010

Roll Call Number: [10-921](#)

Action: [City](#) Manager to remove two (2) 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.

BOARD/COMMISSION ACTION(S):

Board: Board of Health

Date: September 10, 2007

Resolution Number: [07-1797](#)

Action: The Legal Department to file legal action seeking an order from the court to direct abatement of the nuisance structures at the following locations:

(C) 1712 8th Street, Titleholder: MD Homes LLC. Moved by Vlassis to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City Council action on sale of property to profit or non-profit developer.

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