

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 20, 2014
	<b>Agenda Item No.</b> 35 <b>Roll Call No.</b> <u>14-1646</u> <b>Communication No.</b> <u>14-504</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Resolution authorizing partial release of judgment liens (1942 Arlington Avenue).

**SYNOPSIS:**

On July 14, 2014, by Roll Call No. 14-1093, the City Council directed the City Manager and the City Attorney to work with the Neighborhood Finance Corporation (NFC) on a policy to assist rehabilitation of nuisance properties in response to a request from Michael Hildebrand. The property at 1942 Arlington Avenue is a contributing structure in the River View Plat National Register Historic District and the River Bend Local Historic District. By this resolution, the judgment liens will be released against the actual property for the sole purpose of effectuating the sale of 1942 Arlington Avenue to Hildebrand Properties, LLC but retained against the other defendants personally named and against any other properties owned by those defendants.

**FISCAL IMPACT:**

Amount: NA

Funding Source: The City retains any judgment liens against Karen and Steve Towers, Eppert Properties and all other defendants named personally.

**ADDITIONAL INFORMATION:**

On April 11, 2005, by Roll Call No. 05-932, the City Council, acting as the Board of Health, authorized the Legal Department to proceed with court action for authority to abate the public nuisance at 1942 Arlington Avenue. Since that time the property has been sold several times and the City filed lawsuits and obtained judgments against Karen and Steve Towers and Eppard Investment, Inc. personally and on any property they owned. The property at 1942 Arlington Avenue is one (1) property which is so encumbered.

Michael Hildebrand of Hildebrand Properties, LLC has been trying to purchase the property at 1942 Arlington Avenue for the past two (2) years and has had several difficulties in obtaining clear title. Most of the issues have been cleared, but because of the City's judgments encumbering the property those costs must either be paid in order to obtain clear title or released by the City.

The house at 1942 Arlington Avenue is not only a public nuisance, but also located in a part of Des Moines where costs of acquisition and renovation can cost more than the end value of the house. As

such the judgments encumbering the property make it even more difficult for renovation. In addition, the demolition of a structure in both a National and Local Historic District should be undertaken when there is no other alternative. Mr. Hildebrand is offering an alternative.

Through Hildebrand Properties, LLC, Mr. Hildebrand has renovated several properties in the River Bend Neighborhood including the home in which he resides. His plan for 1942 Arlington Avenue is to renovate the systems of the house, including foundation, roof, electricity, and sell the house to an owner-occupant and have the end-purchaser complete renovation which is more cosmetic in nature.

Mr. Hildebrand has provided proof of financing for the renovation through a bank loan. He may also be able to take advantage of State Historic Tax Credits for 25% of the value of the renovation.

While a complete policy for releasing special assessments, liens, and judgments is still being reviewed, it is in the City's best interest to release the liens encumbering this property because it is a contributing structure in a National and Local Register District, Hildebrand Properties, LLC has a history of renovating historic properties and Hildebrand Properties, LLC has shown the ability to finance the renovations. The renovation must be approved by the City's Historic Preservation Commission so the City is assured of a renovation that contributes to the surrounding neighborhood.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: July 14, 2014

Roll Call Number: [14-1093](#)

Action: [From](#) Michael Hildebrand, 410 Franklin Avenue, to speak regarding property at 1942 Arlington in the River Bend neighborhood. Moved by Gray to refer to the City Manager and City Attorney to work with Neighborhood Finance Authority (NFC) on recommendations regarding a policy to assist rehabilitation of nuisance properties City-wide to become owner-occupied. Motion Carried 7-0.

Date: April 11, 2005

Roll Call Number: 05-932

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

- (A) 1942 Arlington Avenue, Titleholder: J & M Investments; Mortgage Holder: First Bank. Moved by Vlassis to adopt. Motion Carried 6-1.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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