

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 17, 2017
	Agenda Item No. 26 Roll Call No. [_____] Communication No. <u>17-355</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Set date of public hearing for Conveyance of City-owned Property at 1074 26th Street to DSMBLC Holdings, Inc. for redevelopment of housing.

SYNOPSIS:

- On June 13, 2016, by Roll Call No. 16-0961, the City Council authorized:
 - Submitting an affidavit to the Polk County Treasurer to acquire the tax sale certificates for 1074 26th Street;
 - Directing staff to take City ownership and to work with interested parties and neighborhood organizations to find a developer through a Request for Proposal (RFP) to acquire and renovate the property based on a rehabilitation plan with a rehabilitation plan for single-family owner-occupied housing and a commitment to reimburse the City its direct costs.
- DSMBLC Holdings, Inc. is composed of three (3) partners, Trevor Williams, Brock Beekman and Richard Buffington, P.O. Box 65817, West Des Moines, IA 50265.

FISCAL IMPACT:

Amount: \$8,431.52 expended to acquire tax sale certificates, which DSMBLC Holdings will reimburse. Also approximately \$7,000 in 2016 and 2017 taxes and special assessments owed.

Funding Source: Storm Water utility Fee PW 247413; Sanitary Sewer Rental Fee PW 247411

ADDITIONAL INFORMATION:

- The Drake Neighborhood Association has encouraged the City of Des Moines to take steps to acquire the properties at 1074 26th Street or several years. The property was most recently used as multi-family, but has sat vacant for many years.
- The City of Des Moines borrowed \$8,431.52 from the Polk County Housing Trust Fund to purchase the outstanding 2015 tax sale certificates on 1074 26th Street. DSMBLC Holdings, Inc. will repay this money.



- The City Legal Department began the acquisition process by notifying anyone with an interest in the property of the City's intention to take tax deed, publishing notice in the paper, and posting the property. Staff then filed an affidavit of notice with the Polk County Treasurer's Office.
- The required 90-day notification period has expired and the City must take tax deed by April 24, 2017.
- On May 8, 2017 the City Council will hold a public hearing to convey the property to DSMBLC Holdings, Inc.
- After taking ownership, the City will ensure delinquent special assessments and taxes have been abated prior to transferring ownership to DSMBLC Holdings, Inc. This abatement requires action by the Polk County Board of Supervisors as well as the Des Moines Water Works. The City will also release any outstanding liens and special assessments per June 13, 2016 by Roll Call No. 16-0961.
- DSMBLC Holdings, Inc has renovated several properties in the Drake and Sherman Hill Neighborhoods. They have provided financial information and a timeframe that shows their ability to complete the project.
- The plans include rebuilding the original front porch and removing cover up siding. They will attempt to purchase land surrounding the property for an off-street parking space.

PREVIOUS COUNCIL ACTION(S):

Date: June 13, 2016

Roll Call Number: [16-0961](#)

Action: [Request](#) to Polk County for tax sale certificates and authorizing assignment or acquisition of properties through tax sale process for the following: ([Council Communication No. 16-304](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold date of public hearing on May 8, 2017.

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