

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 17, 2017
	Agenda Item No. 16 Roll Call No. [] Communication No. <u>17-365</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Authorizing acquisition by tax sale deed of 911 25th Street.

SYNOPSIS:

- On April 3, 2017 by Roll Call No. 17-0590, the City Council voted to:
 - Deny a request to distribute a Request for Proposal (RFP) to develop the lot at 911 25th Street as a single-family house; and
 - Instructed the City Manager to report to Council in 60 days regarding the ownership of the property.
- If the City takes tax deed, as authorized in Roll Call No. 16-0692 on June 13, 2016, there is an opportunity for the adjacent homeowner or other interested party to negotiate with the City on purchasing the property. If the City does not take tax deed, it will be much harder for the adjacent homeowner or anyone else to obtain clear title. The recorded property owners have been unresponsive.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- August 8, 2016, the City Council and Polk County Board of Supervisors entered into an agreement for the “Assignment of Certificate of Purchase at Tax Sale” for the vacant lot at 911 25th Street which agreement requires the City to perfect the tax deed for promoting housing.
- City staff is statutorily required to request the tax sale deed from the Polk County Treasurer by April 24, 2017.
- If the City does not take tax deed, it will invalidate the August 8, 2016 contract with Polk County to perfect the deed for promoting housing and waste the effort that the County Treasurer’s Office and City of Des Moines put into clearing title.
- City legal staff provided a title opinion and serviced notice by certified mail to all those in the chain of title or with a recorded interest in the property at 911 25th Street, published notice in the Des Moines Register, and physically caused the site to be posted that the City intended to take title to the vacant lot.
- The adjacent property owner, Mary and Nancy McCaune purchased the lot from Aeon Finance LLC by Special Warranty Deed, but did not record the deed with the Polk County Recorder.
- Aeon Financial, LLC also issued a Special Warranty Deed on June 14, 2011 and such deed was recorded on November 5, 2012 to LBT Iowa 9393, 106 S. Washington Street, Baltimore MD 21231.

- The recorded owner of the property at 911 25th Street, LBT Iowa took deed to several properties in Des Moines through the tax sale process in 2011 and 2012; and has not responded to City notifications.
- LBT Iowa is also the recorded owner of the property at 3011 5th Avenue, which is on the April 17, 2017 City Council agenda to set date of public hearing for conveyance to Greater Des Moines Habitat for Humanity.
- LBT Iowa owned the property at 1710 7th Street in River Bend, which was a 2015 tax deed acquisition by the City of Des Moines.

PREVIOUS COUNCIL ACTION(S):

Date: April 3, 2017

Roll Call Number: [17-0590](#)

Action: [Authorizing](#) distribution of Request for Proposal (RFP) for new construction of single-family housing at 911 25th Street. ([Council Communication No. 17-317](#)) Moved by Hensley to deny the distribution of the Request for proposal. The City Manager will report back in 60 days regarding the ownership of the property. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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