 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 12, 2017
	Agenda Item No. 22 Roll Call No. <u>17-0972</u> Communication No. <u>17-469</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Receive and File communication from Community Development Department and Setting Public Hearing for conveyance of City-owned property located at 911 25th Street to Mark and Nancy McCaune.

SYNOPSIS:

- On April 17, 2017 by Roll Call No. 17-0662, the City Council directed the Legal Department to complete the tax sale process to take ownership of 911 25th Street and request that the Polk County Treasurer issue a tax sale deed to the City of Des Moines.
- The Treasurer issued a tax sale deed to the City of Des Moines on April 20, 2017 and the property at 911 25th Street is still in the City’s ownership.
- On April 3, 2017 by Roll Call No. 17-0590, the City Council voted to not distribute a Request for Proposal (RFP) to develop the 55-foot vacant lot at 911 25th Street and report back to Council on its ownership within 60 days.
- Mark and Nancy McCaune, adjacent property owners at 913 25th Street, have presented evidence that they had negotiated in good faith and paid a previous owner of 911 25th Street to buy the vacant lot at 911 25th Street.

FISCAL IMPACT:

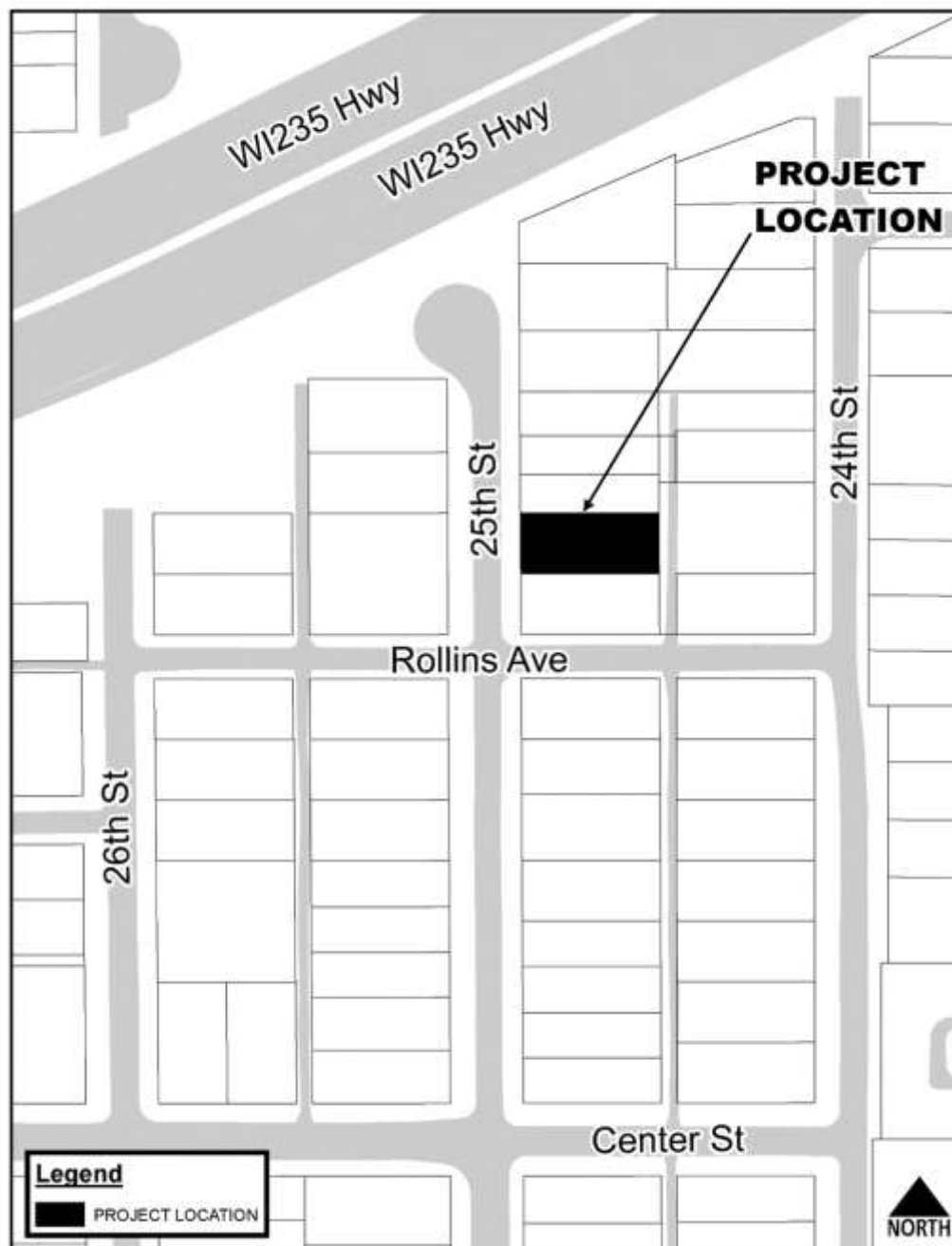
Amount: \$15,000 (revenue)

Funding Source: Community Development Department Budget Page 57, Special Revenue, Nongrant CD046000 / 482450

ADDITIONAL INFORMATION:

- The property has had a pattern of ownership over the past five (5) years that resulted in no property taxes or special assessments being paid:
 - On October 15, 2010, Polk County issued and recorded a Tax Sale Deed granting the Property to Capital Source Bank FBO AEON Financial Iowa, LLC.
 - On January 11, 2011, Capital Source Bank FBO Aeon Financial Iowa, LLC recorded a Special Warranty Deed granting the Property to AEON Financial, LLC.
 - On November 5, 2012, AEON Financial LLC recorded a Special Warranty Deed granting the Property to LBT Iowa 9393, Baltimore Maryland.

- Concurrently, on or about December 14, 2010 AEON Financial LLC issued a Special Warranty Deed to Mark and Nancy McCaune. The McCaune's have maintained the property since that time and used as a side yard to their house, which is located on a 35-foot lot.
- The McCaune's did not record the Special Warranty Deed nor pay all the taxes due at that time. As a result the McCaune's were not in the chain of title.
- The City's actions to obtain tax sale deed have cleared title to the property and the property is now owned by the City of Des Moines.
- The City of Des Moines has received an offer from the McCaune's for the Fair Market Value of \$15,000 for the vacant lot plus payment of delinquent taxes and special assessments.
- Staff recommends the offer be accepted and no deed restrictions will be placed on the property.
- The sale will result in the vacant lot being maintained and future taxes paid by the McCaune's.



Previous Council Action(s):

Date: April 17, 2017

Roll Call Number: [17-0662](#)

Action: [Authorizing](#) acquisition by tax sale deed of 911 25th Street. ([Council Communication No. 17-365](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold public hearing on conveyance on June 26, 2017.

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