

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	March 8, 2018
	<b>Agenda Item No.</b>	<b>28</b>
	<b>Roll Call No.</b>	<b><u>18-0357</u></b>
	<b>Communication No.</b>	<b><u>18-117</u></b>
	<b>Submitted by:</b>	<b>Phillip Delafield, Community Development Director</b>

**AGENDA HEADING:**

Approval of a Community Development Block Grant (CDBG) contract with the 6th Avenue Corridor, Inc. (6AC) for up to \$75,000 for demolition and related costs of the property located at 1327 6th Avenue.

**SYNOPSIS:**

The 6AC has requested assistance to demolish the vacant and abandoned property at 1327 6th Avenue. The elimination of blighted properties has been identified as a top priority for the 6AC.

6AC is a Main Street Organization working on the revitalization of 6th Avenue with dedicated staff and development experience (Aaron Todd, President, Breann Bye, Executive Director, P.O. Box 8225, Des Moines, IA 50301).

**FISCAL IMPACT:**

Amount: Up to \$75,000

Funding Source: Special Revenue Funds: Grants: Community Development Block Grants, Neighborhood Revitalization Program, page 57 of 2017-2018 adopted budget.

**ADDITIONAL INFORMATION:**

- The City has been able to provide 6AC CDBG funding to purchase, rehabilitate and/or demolish several properties along the corridor with positive results.
- The property at 1327 6th Avenue has been vacant and abandoned with delinquent taxes for several years and has a negative impact on the 6th Avenue Corridor.
- By Roll Call No. 17-0987 on June 12, 2017, the City of Des Moines requested the 2017 tax sale certificate for 1327 6th Avenue from the Polk County Treasurer with a goal to take City ownership in order to promote development opportunities along the corridor.
- After discussion between City staff and the 6AC Board on the availability of CDBG funds and opportunities for corridor development, 6AC accepted a donation of the Tax Deed for the property from a private tax sale buyer.

- The CDBG agreement includes the cost of asbestos remediation, demolition, grading, reseeded as well as administrative costs including legal fees and a fee for 6AC.
- The budget includes a high estimate for asbestos remediation in case the second floor has collapsed into the first floor due to water penetration making the building unsafe to enter. In such case, the entire structure must be disposed of as asbestos containing material.
- 6AC will maintain the lot and land bank of the property until a development opportunity presents itself.
- The address is located within the Restated Urban Renewal Plan for the Metro Center Urban Renewal Project. In accordance with 24 CFR 570.505, 6AC may not change the use or planned use of the property at 1327 6th Avenue, which is housing within a commercial corridor per Metro Center Urban Renewal Project, from that for which the acquisition or improvement was made unless the City is notified and the operating agency provides citizens with reasonable notice of, and opportunity to comment on, any change in land use per the regulations of this section. This regulation shall apply from the date CDBG funds are first spent for the property until five (5) years after closeout of the Operating Agency's participation in the City of Des Moines CDBG Program.
- The roll call for providing funding also includes actions by Roll Call No. 17-0987 on June 12, 2017 to release all City special assessments pending or already certified and to not act on the 2017 tax sale certificate held by the City unless requested by the 6AC Board of Directors. The tax sale will expire in June of 2020 if no action is taken.



**PREVIOUS COUNCIL ACTION(S):**

Date: June 12, 2017

Roll Call Number: [17-0987](#)

Action: Items regarding Tax Sale Certificates:

- (A) [Request](#) to Polk County Treasurer for Tax Sale Certificates and acquisition of properties through tax sale process. ([Council Communication No. 17-459](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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